Raleigh County

RFP# 22-152

Municipality of Beckley, West Virginia

Financial Statements and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2023

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2023

Introductory Section
Municipality Officials 1

Financial Section
Independent Auditor's Report 2
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position 5
Statement of Activities 6
Fund Financial Statements:
Balance Sheet – Governmental Funds 7
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position 8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 10
Statement of Net Position – Enterprise Funds 11
Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Funds 12
Statement of Cash Flows – Enterprise Funds 13
Statement of Fiduciary Net Position – Fiduciary Funds 14
Statement of Changes in Fiduciary Net Position – Fiduciary Funds 15

Notes to the Financial Statements 16

Required Supplementary Information
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund 62
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Coal Severance Tax Fund 63
Schedules of Changes in the Net Pension Liability and Related Ratios – Policemen's and Firemen's Pension and Relief Funds 64
Schedule of Contributions – Policemen's and Firemen's Pension and Relief Funds 66
Schedule of Investment Returns – Policemen's and Firemen's Pension and Relief Funds 67
Schedule of Municipality's Proportionate Share of the Net Pension Liability (Asset) 68
Schedule of Municipality Contributions – Retirement Systems 69
Schedule of Municipality's Proportionate Share of the Net OPEB Liability (Asset) 70
Schedule of Municipality Contributions – OPEB 71
Schedule of Changes in the Total OPEB Liability and Related Ratios 72

Supplementary Information
Schedules of Rate Covenant Compliance 73
Combining Balance Sheet – Nonmajor Governmental Funds 75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 76
Schedule of State Grant Receipts and Expenditures 77
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 78
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance as Required by the Uniform Guidance 80
Schedule of Expenditures of Federal Awards 82
Notes to the Schedule of Expenditures of Federal Awards 83
Schedule of Findings and Questioned Costs 84

Introductory Section

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
MUNICIPALITY OFFICIALS
For the Fiscal Year Ended June 30, 2023

OFFICE	WARD/NAME	TERM ENDS
	Elected	
Mayor:	Rob Rappold	June 30, 2024
Council Members:	Ward I – Tom Sopher	June 30, 2024
	Ward II – Robert Canter	June 30, 2024
	Ward III – Robert Dunlap	June 30, 2024
	Ward IV – Kevin Price	June 30, 2024
	Ward V – Janine Bullock	June 30, 2024
	At Large – Cody Reedy	June 30, 2024
	At Large – Sherrie Hunter	June 30, 2024
	Appointed	
Recorder-Treasurer:	Billie Trump	
Controller:	Jessica Chandler	

Financial Section

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report

Honorable Mayor and Council
Municipality of Beckley
Beckley, West Virginia 25802

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Municipality of Beckley, West Virginia (the Municipality), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Municipality of Beckley, West Virginia as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipality and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

The Municipality has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that budgetary comparison information, Schedules of Changes in Net Pension Liability and Related Ratios – Policemen's and Firemen's Pension and Relief Funds, Schedules of Investment Returns and Contributions – Policemen's and Firemen's Pension and Relief Funds, the Schedule of Municipality's Proportionate Share of Net Pension Liability, the Schedule of Municipality Contributions – Retirement Systems, the Schedule of Municipality's Proportionate Share of Net OPEB Liability, the Schedule of Municipality Contributions – OPEB, and the Schedule of Changes in the Total OPEB Liability and Related Ratios listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The Schedules of Rate Covenant Compliance, Combining Balance Sheet – Nonmajor Governmental Funds, Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds, and Schedule of State Grant Receipts and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Rate Covenant Compliance, Combining Balance Sheet – Nonmajor Governmental Funds, Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds, Schedule of State Grant Receipts and Expenditures, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note I.D.13, during the year ended June 30, 2023, the Municipality adopted new accounting guidance, the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements.* Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality's internal control over financial reporting and compliance.

Ferrari & Associates, PLLC

Morgantown, West Virginia
February 20, 2024

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Beckley Sanitary Board
ASSETS				
Current:				
Cash and cash equivalents	$ 6,167,530	$ 156,783	$ 6,324,313	$ 2,462,978
Receivables:				
Accounts, net	113,976	2,737	116,713	1,802,736
Taxes	5,379,461	531	5,379,992	3,377
Fines	24,026	-	24,026	-
Leases	-	2,309,604	2,309,604	-
Due from other governments	377,395	339,093	716,488	-
Internal balances	62,335	7,500	69,835	3,632
Inventory	-	92,061	92,061	210,006
Prepaid expense	-	2,500	2,500	115,528
Total current assets	12,124,723	2,910,809	15,035,532	4,598,257
Noncurrent:				
Restricted assets:				
Regular account	-	118,591	118,591	586,256
Reserve account	-	-	-	3,318,854
Customer deposits	-	-	-	168,590
Renewal and replacement	-	-	-	672,023
Total restricted assets	-	118,591	118,591	4,745,723
Capital assets:				
Non-depreciable:				
Land	3,166,921	9,782,154	12,949,075	869,388
Copyright	-	3,500	3,500	-
Construction in progress	-	130,374	130,374	2,366,543
Works of art	207,662	-	207,662	-
Depreciable:				
Buildings	1,452,838	44,965,975	46,418,813	36,684,039
Structures and improvements	1,019,926	2,738,337	3,758,263	40,037,647
Infrastructure	3,611,394	-	3,611,394	-
Software	353,105	-	353,105	79,298
Machinery, equipment and leased assets	13,469,605	1,891,620	15,361,225	3,797,864
Less: accumulated depreciation and amortization	(11,681,612)	(15,140,526)	(26,822,138)	(37,933,595)
Total capital assets, net	11,599,839	44,371,434	55,971,273	45,901,184
Subscription assets, net	129,628	12,346	141,974	-
Total noncurrent assets	11,729,467	44,502,371	56,231,838	50,646,907
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension	11,379,686	233,164	11,612,850	510,339
Deferred outflow - OPEB multi employer plan	233,118	-	233,118	183,407
Deferred outflow - OPEB single employer plan	867,614	72,439	940,053	138,120
Total deferred outflows of resources	12,480,418	305,603	12,786,021	831,866
Total assets and deferred outflows of resources	**$ 36,334,608**	**$ 47,718,783**	**$ 84,053,391**	**$ 56,077,030**
LIABILITIES				
Current:				
Accounts payable	$ 508,473	$ 122,265	$ 630,738	$ 370,260
Payroll payable	188,310	33,566	221,876	38,014
Benefits payable	7,232	-	7,232	6,352
Other accrued expenses	-	5,626	5,626	68,921
Compensated absences payable	178,202	11,194	189,396	28,748
Customer deposits	-	11,691	11,691	168,005
Due to other funds	-	-	-	30,767
Total current liabilities	882,217	184,342	1,066,559	711,067
Long-term liabilities due within one year:				
Current portion of bonds payable	-	486,625	486,625	1,813,542
Current portion of leases payable	5,511	-	5,511	81,625
Current portion of subscription liability	100,730	5,650	106,380	-
Long-term liabilities due in more than one year:				
Bonds payable	-	8,513,208	8,513,208	16,197,010
Leases payable	10,332	-	10,332	166,125
Subscription liability	118,561	7,325	125,886	-
Compensated absences payable	1,281,481	119,921	1,401,402	297,569
Net pension liability	42,136,522	81,827	42,218,349	182,818
OPEB liability - multi employer plan	56,637	-	56,637	44,560
OPEB liability - single employer plan	7,896,148	659,265	8,555,413	1,257,027
Total long-term liabilities	51,605,922	9,873,821	61,479,743	20,040,276
Total liabilities	52,488,139	10,058,163	62,546,302	20,751,343
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension	7,265,057	722	7,265,779	1,613
Deferred inflow - OPEB multi employer plan	216,819	-	216,819	170,585
Deferred inflow - OPEB single employer plan	2,905,532	242,588	3,148,120	462,546
Deferred inflow - grant revenue	1,289,026	43,000	1,332,026	-
Deferred inflow - leasing revenue	-	2,275,870	2,275,870	-
Total deferred inflows of resources	11,676,434	2,562,180	14,238,614	634,744
NET POSITION				
Net investment in capital assets	11,583,996	35,370,973	46,954,969	27,622,884
Restricted for debt service	-	118,591	118,591	1,883,952
Restricted for renewal and replacement	-	-	-	793,748
Restricted for customer deposits	-	-	-	168,590
Unrestricted (deficit)	(39,413,961)	(391,124)	(39,805,085)	4,221,769
Total net position	(27,829,965)	35,098,440	7,268,475	34,690,943
Total liabilities, deferred inflows of resources, and net position	**$ 36,334,608**	**$ 47,718,783**	**$ 84,053,391**	**$ 56,077,030**

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Beckley Sanitary Board
Governmental activities:								
General government	$ 4,301,761	$ 68,818	$ -	$ -	$ (4,232,943)	$ -	$ (4,232,943)	$ -
Public safety	13,018,279	373,399	2,661,694	815,767	(9,167,419)	-	(9,167,419)	-
Streets and transportation	5,301,455	-	-	-	(5,301,455)	-	(5,301,455)	-
Health and sanitation	103,130	-	-	-	(103,130)	-	(103,130)	-
Culture and recreation	1,062,367	-	-	-	(1,062,367)	-	(1,062,367)	-
Social services	257	-	-	-	(257)	-	(257)	-
Total governmental activities	23,787,249	442,217	2,661,694	815,767	(19,867,571)	-	(19,867,571)	-
Business-type activities:								
Parking	324,022	190,652	-	-	-	(133,370)	(133,370)	-
Parks and recreation	4,236,502	1,694,737	862,969	86,565	-	(1,592,231)	(1,592,231)	-
Building commission	1,503,204	850,591	-	-	-	(652,613)	(652,613)	-
Economic development	311,483	317,233	-	-	-	5,750	5,750	-
Total business-type activities	6,375,211	3,053,213	862,969	86,565	-	(2,372,464)	(2,372,464)	-
Total primary government	$ 30,162,460	$ 3,495,430	$ 3,524,663	$ 902,332	(19,867,571)	(2,372,464)	(22,240,035)	-
COMPONENT UNIT								
Beckley sanitary board	$ 8,222,590	$ 12,426,603	$ 5,000	$ -	-	-	-	4,209,013
General revenues								
Ad valorem taxes					3,047,874	-	3,047,874	-
Business & occupation tax					12,436,720	-	12,436,720	-
Consumer sales tax					7,052,232	-	7,052,232	-
Alcoholic beverage tax					180,791	-	180,791	-
Utility services tax					1,077,436	-	1,077,436	-
Hotel occupancy tax					1,166,773	-	1,166,773	-
Gas and oil severance tax					100,525	-	100,525	-
Other taxes					528,926	-	528,926	-
Coal severance tax					80,762	-	80,762	-
Interest income					110,759	25,027	135,786	165,211
Refunds					391,874	-	391,874	1,089
Gain (loss) on sale of capital assets					46,482	-	46,482	80,140
Insurance claims					42,633	9,845	52,478	(3,957)
Miscellaneous					305,858	4,975	310,833	24,834
Total general revenues					26,569,645	39,847	26,609,492	267,317
Transfers					(8,417,558)	8,002,125	(415,433)	415,433
Change in net position					(1,715,484)	5,669,508	3,954,024	4,891,763
Net position beginning of year, restated					(26,114,481)	29,428,932	3,314,451	29,799,180
Net position end of year					$ (27,829,965)	$ 35,098,440	$ 7,268,475	$ 34,690,943

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Coal Severance	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 4,651,154	$ 48,310	$ 1,293,965	$ 174,101	$ 6,167,530
Receivables:					
Accounts	113,976	-	-	-	113,976
Taxes	5,359,460	20,001	-	-	5,379,461
Fines	24,026	-	-	-	24,026
Due from:					
Other Funds	62,335	-	-	-	62,335
Other Governments	377,395	-	-	-	377,395
Total assets	**$ 10,588,346**	**$ 68,311**	**$ 1,293,965**	**$ 174,101**	**$ 12,124,723**
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 495,133	$ -	$ -	$ 13,340	$ 508,473
Payroll Payable	188,310	-	-	-	188,310
Compensated Absences Payable	178,202	-	-	-	178,202
Other Accrued Expenses	7,232	-	-	-	7,232
Total liabilities	868,877	-	-	13,340	882,217
DEFERRED INFLOWS OF RESOURCES					
Taxes and Licenses	158,832	-	-	-	158,832
Fines and Fees	24,026	-	-	-	24,026
Deferred Revenue	-	-	1,289,026	-	1,289,026
Total deferred inflows of resources	182,858	-	1,289,026	-	1,471,884
FUND BALANCES					
Assigned	4,256,782	68,311	4,939	160,761	4,490,793
Unassigned	5,279,829	-	-	-	5,279,829
Total fund balances	9,536,611	68,311	4,939	160,761	9,770,622
Total liabilities, deferred inflows of resources and fund balances	**$ 10,588,346**	**$ 68,311**	**$ 1,293,965**	**$ 174,101**	**$ 12,124,723**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total governmental fund balances		$ 9,770,622
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		11,599,839
Intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.		129,628
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Ad valorem taxes	44,293	
Police fines	24,026	
Other	114,539	
Total		182,858
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows and outflows are not reported in governmental funds.		
Net Pension Liability	(42,136,522)	
Deferred Inflows - Pension	(7,265,057)	
Deferred Outflows - Pension	11,379,686	
Total		(38,021,893)
The net other post employment benefit liability is not due and payable in the current period; therefore, the liability and related deferred inflows and outflows are not reported in governmental funds.		
Net OPEB Liability	(7,952,785)	
Deferred Inflows - OPEB	(3,122,351)	
Deferred Outflows - OPEB	1,100,732	
Total		(9,974,404)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Financed leases	(15,843)	
Subscription liabilities	(219,291)	
Compensated absences	(1,281,481)	
Total		(1,516,615)
Net position of governmental activities		$ (27,829,965)

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General	Coal Severance	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem property tax	$ 3,028,474	$ -	$ -	$ -	$ 3,028,474
Business and occupancy tax	12,469,661	-	-	-	12,469,661
Alcoholic beverage tax	180,791	-	-	-	180,791
Consumer sales	7,052,232	-	-	-	7,052,232
Utility services tax	1,077,436	-	-	-	1,077,436
Hotel occupancy tax	1,167,389	-	-	-	1,167,389
Other taxes	528,926	-	-	-	528,926
Severance tax	100,525	80,762	-	-	181,287
Licenses and permits	199,937	-	-	-	199,937
Intergovernmental:					
Federal	1,651,651	-	1,512,123	-	3,163,774
State	2,000	-	-	-	2,000
Charges for services	61,544	-	-	-	61,544
Fines and forfeits	275,727	-	-	97,672	373,399
Interest and investment earnings	105,105	496	4,818	340	110,759
Refunds and reimbursements	401,371	-	-	-	401,371
Insurance claims	42,633	-	-	-	42,633
Contributions and donations	311,687	-	-	-	311,687
Miscellaneous	24,915	-	-	-	24,915
Total revenues	28,682,004	81,258	1,516,941	98,012	30,378,215
EXPENDITURES					
Current:					
General government	5,228,214	-	27,964	-	5,256,178
Public safety	13,511,423	-	-	40,747	13,552,170
Streets and transportation	5,223,584	-	-	-	5,223,584
Health and sanitation	105,024	-	-	-	105,024
Culture and recreation	1,061,770	60,379	-	-	1,122,149
Social services	257	-	-	-	257
Capital outlay	(3,642,810)	-	-	-	(3,642,810)
Total expenditures	21,487,462	60,379	27,964	40,747	21,616,552
Excess of revenues over (under) expenditures	7,194,542	20,879	1,488,977	57,265	8,761,663
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	46,482	-	-	-	46,482
Transfers in	1,578,026	-	-	433,610	2,011,636
Transfers out	(8,385,362)	-	(1,484,160)	(477,505)	(10,347,027)
Total other financing sources (uses)	(6,760,854)	-	(1,484,160)	(43,895)	(8,288,909)
Net change in fund balances	433,688	20,879	4,817	13,370	472,754
Fund balances beginning of year	9,102,923	47,432	122	147,391	9,297,868
Fund balances end of year	$ 9,536,611	$ 68,311	$ 4,939	$ 160,761	$ 9,770,622

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds		$ 472,754
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	(3,993,495)	
Depreciation	(1,136,651)	
Excess of capital outlay over depreciation expense		(5,130,146)
Governmental funds report intangible assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Contract services	9,927	
Amortization	(106,810)	
Total		(96,883)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Ad valorem taxes	19,400	
Police fines	(26,283)	
Municipal licenses	71,509	
Total		64,626
Except for amounts reported as deferred inflows/outflows, changes in net lease receivable are reported as interest expenses in the statement of activities		
Change in Lease Receivable		5,243
Expenses in the statement of activities that do not provide current financial resources are not reported as expenses in the funds:		
Long term compensated absences		45,537
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Subscription based software		87,588
Transfer of assets and liabilities to Economic Development fund. This is an expenditure in the governmental fund, but reduces the assets and liabilities in the statement of net position.		(21,788)
Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expenses in the statement of activities.		
Change in pension liability		2,752,016
Except for amounts reported as deferred inflows/outflows, changes in net post employment benefits are reported as OPEB expenses in the statement of activities.		
Change in OPEB liability		105,569
Change in net position of governmental activities		$ (1,715,484)

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2023

	Parking Revenue	Parks and Recreation	Building Commission	Economic Development	Total Enterprise Funds
ASSETS					
Current:					
Cash and Cash Equivalents	$ 35,937	$ 57,480	$ 45,664	$ 17,702	$ 156,783
Receivables:					
Accounts	182	2,555	-	2,309,604	2,312,341
Taxes	-	531	-	-	531
Due From:					
Other Funds	-	-	-	7,500	7,500
Other Governments	-	339,093		-	339,093
Inventory	-	92,061	-	-	92,061
Prepaid Expense	-	2,500	-	-	2,500
Total Current Assets	36,119	494,220	45,664	2,334,806	2,910,809
Noncurrent:					
Restricted assets:					
Regular account	-	-	118,591	-	118,591
Total restricted assets	-	-	118,591	-	118,591
Capital assets:					
Non-depreciable:					
Land	3,781,460	131,850	3,058,844	2,810,000	9,782,154
Copyright	-	3,500	-	-	3,500
Construction in progress	64,961	65,413	-		130,374
Depreciable:					
Buildings	88,525	4,103,312	37,836,648	2,937,490	44,965,975
Structures and Improvements	745,244	1,955,779	15,714	21,600	2,738,337
Machinery and Equipment	64,364	1,799,656	27,600	-	1,891,620
Less: Accumulated Depreciation	(588,796)	(3,675,010)	(10,802,962)	(73,758)	(15,140,526)
Total Capital Assets, Net	4,155,758	4,384,500	30,135,844	5,695,332	44,371,434
Subscription asset, net	-	12,346	-	-	12,346
Total capital assets, net	4,155,758	4,396,846	30,135,844	5,695,332	44,383,780
Total assets	4,191,877	4,891,066	30,300,099	8,030,138	47,413,180
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflow - Pension	9,093	224,071	-	-	233,164
Deferred Outflow - OPEB - Single Employer	6,173	66,266	-	-	72,439
Total Deferred Outflow of Resources	15,266	290,337	-	-	305,603
Total assets and deferred outflows of resources	**$ 4,207,143**	**$ 5,181,403**	**$ 30,300,099**	**$ 8,030,138**	**$ 47,718,783**
LIABILITIES					
Current:					
Accounts Payable	$ 9,711	$ 100,135	$ -	$ 12,419	$ 122,265
Payroll Payable	724	32,842	-	-	33,566
Other Accrued Expenses	120	5,506	-	-	5,626
Compensated Absences Payable	-	11,194	-	-	11,194
Customer Deposits	-	11,691	-	-	11,691
Current subscription liability	-	5,650	-	-	5,650
Current Portion of Bonds Payable	-	-	486,625	-	486,625
Total current liabilities	10,555	167,018	486,625	12,419	676,617
Long-Term:					
Compensated Absences Payable	3,302	116,619	-	-	119,921
Bonds Payable	-	-	8,513,208	-	8,513,208
OPEB Liability - Single Employer	56,177	603,088	-	-	659,265
Subscription liability	-	7,325	-	-	7,325
Net pension obligation - PERS	3,264	78,563	-	-	81,827
Total long-term liabilities	62,743	805,595	8,513,208	-	9,381,546
Total liabilities	73,298	972,613	8,999,833	12,419	10,058,163
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflow - PERS	29	693	-	-	722
Deferred Inflow - grant revenue	-	43,000	-	-	43,000
Deferred Inflow - leases	3,572	-	-	2,272,298	2,275,870
Deferred Inflow - OPEB - Single Employer	20,671	221,917	-	-	242,588
Total deferred inflow of resources	24,272	265,610	-	2,272,298	2,562,180
NET POSITION					
Net investment in capital assets	4,155,758	4,383,871	21,136,012	5,695,332	35,370,973
Restricted for debt services	-	-	118,591	-	118,591
Unrestricted	(46,185)	(440,691)	45,663	50,089	(391,124)
Total net position	4,109,573	3,943,180	21,300,266	5,745,421	35,098,440
Total liabilities, deferred inflows of resources, and net position	**$ 4,207,143**	**$ 5,181,403**	**$ 30,300,099**	**$ 8,030,138**	**$ 47,718,783**

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
For the Year Ended June 30, 2023

	Parking Revenue	Parks and Recreation	Building Commission	Economic Development	Total Enterprise Funds
OPERATING REVENUES					
Sales and services to customers	$ 190,652	$ 1,694,737	$ 850,591	$ 317,233	$ 3,053,213
Other operating revenues	12	14,808	-	-	14,820
Total operating revenues	190,664	1,709,545	850,591	317,233	3,068,033
OPERATING EXPENSES					
Personnel services	78,571	1,756,980	-	-	1,835,551
Contractual services	5,736	512,667	-	60,336	578,739
Administrative and general	21,274	151,699	2,522	-	175,495
Rents	-	64,195	-	-	64,195
Liability insurance	101,471	116,847	-	-	218,318
Materials and supplies	11,795	849,496	-	15,688	876,979
Utilities	86,414	316,459	-	100,471	503,344
Depreciation	15,516	249,805	1,131,673	73,758	1,470,752
Maintenance	-	177,597	-	40,980	218,577
Capital outlay	-	36,009	-	20,250	56,259
Bad debt	3,245	-	-	-	3,245
Amortization	-	4,748	(8,686)	-	(3,938)
Total operating expenses	324,022	4,236,502	1,125,509	311,483	5,997,516
Operating income (loss)	(133,358)	(2,526,957)	(274,918)	5,750	(2,929,483)
NON-OPERATING REVENUES (EXPENSES)					
Interest revenue	92	387	9,028	15,520	25,027
Interest and fiscal charges	-	-	(377,695)	-	(377,695)
Intergovernmental	-	915,627	-	-	915,627
Contributions	-	33,907	-	-	33,907
Total non-operating revenues (expenses)	92	949,921	(368,667)	15,520	596,866
Income (loss) before transfers	(133,266)	(1,577,036)	(643,585)	21,270	(2,332,617)
Transfers in	144,019	2,133,955	-	5,724,151	8,002,125
Change in net position	10,753	556,919	(643,585)	5,745,421	5,669,508
Net position beginning of year	4,098,820	3,386,261	21,943,851	-	29,428,932
Net position end of year	$ 4,109,573	$ 3,943,180	$ 21,300,266	$ 5,745,421	$ 35,098,440

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 2023

	Parking Revenue	Parks and Recreation	Building Commission	Economic Development	Total Enterprise Funds
Cash flows from operating activities:					
Cash received from customers	$ 184,861	$ 1,707,032	$ 850,591	$ 279,927	$ 3,022,411
Cash payments for employee services and benefits	(71,939)	(1,769,645)	-	-	(1,841,584)
Cash payments to suppliers for goods and services	(221,962)	(2,136,317)	(2,522)	(225,306)	(2,586,107)
Other operating revenues	12	4,963	-	-	4,975
Net cash provided/(used) by operating activities	(109,028)	(2,193,967)	848,069	54,621	(1,400,305)
Cash flows from non-capital financing activities:					
Contributions	-	33,907	-	-	33,907
Transfers in	144,019	2,133,955	-	5,724,151	8,002,125
Intergovernmental	-	594,534	-	(7,500)	587,034
Net cash provided by non-capital financing activities	144,019	2,762,396	-	5,716,651	8,623,066
Cash flows from capital and related financing activities:					
(Acquisition) Disposal of capital assets	(64,961)	(607,784)	-	(5,769,090)	(6,441,835)
Principal paid on debt	-	12,975	(473,103)	-	(460,128)
Interest paid on debt	-	-	(377,695)	-	(377,695)
Net cash (used) for capital and related financing activities	(64,961)	(594,809)	(850,798)	(5,769,090)	(7,279,658)
Cash flows from investing activities:					
Investment earnings	92	387	9,028	15,520	25,027
Net increase (decrease) in cash and cash equivalents	(29,878)	(25,993)	6,299	17,702	(31,870)
Cash and cash equivalents beginning of year - includes $109,770 in restricted cash	65,815	83,473	157,956	-	307,244
Cash and cash equivalents end of year - includes $118,591 in restricted cash	$ 35,937	$ 57,480	$ 164,255	$ 17,702	$ 275,374
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	$ (133,358)	$ (2,526,957)	$ (274,918)	$ 5,750	$ (2,929,483)
Adjustments:					
Depreciation and amortization	15,516	254,553	1,122,987	73,758	1,466,814
(Increase)/decrease in assets:					
Accounts receivable	4,243	(2,552)	-	-	1,691
Taxes receivable	-	(337)	-	-	(337)
Due from other funds	-	27,740	-	-	27,740
Materials and supplies inventory	-	93,242	-	-	93,242
Prepaid items	14,578	-	-	-	14,578
Net pension asset	19,045	405,587	-	-	424,632
Deferred outflows - pension	262	(19,046)	-	-	(18,784)
Deferred outflows - OPEB	394	7,545	-	-	7,939
Increase/(decrease) in liabilities:					
Accounts payable	(9,850)	(31,582)	-	12,419	(29,013)
Payroll payable	(1,163)	(50,031)	-	-	(51,194)
Other accrued expenses	(205)	(6,647)	-	-	(6,852)
Compensated absences payable	364	30,028	-	-	30,392
Customer deposits	-	4,590	-	-	4,590
Pension	3,264	78,563	-	-	81,827
Deferred inflows - pension	(24,631)	(524,464)	-	-	(549,095)
OPEB	8,972	72,510	-	-	81,482
Deferred inflows - OPEB	330	(6,709)	-	-	(6,379)
Deferred revenue	(6,789)	-	-	(37,306)	(44,095)
Net cash provided/(used) by operating activities	$ (109,028)	$ (2,193,967)	$ 848,069	$ 54,621	$ (1,400,305)

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
June 30, 2023

	Pension Trust Funds	Employee Health Insurance Fund	Agency Funds
ASSETS			
Cash and deposits	$ 202,700	$ 11,578	$ 231,490
Investments, at fair value	52,737,592	230,221	-
Receivables:			
Fines, net	-	-	31,303
Due from other funds	6,848	-	-
Accounts receivable - other	166,610	-	-
Total receivables	173,458	-	31,303
Total assets	**$ 53,113,750**	**$ 241,799**	**$ 262,793**
LIABILITIES			
Accounts payable	$ 6,547	$ -	$ 31,870
Seized evidence funds	-	-	157,885
Due to other funds	-	-	65,895
Due to other governments	-	-	7,143
Total liabilities	6,547	-	262,793
NET POSITION			
Net position held in trust	53,107,203	241,799	-
Total liabilities and net position	**$ 53,113,750**	**$ 241,799**	**$ 262,793**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2023

	Pension Trust Funds	Employee Health Insurance Fund
ADDITIONS		
Contributions:		
Employer	$ 1,665,620	$ 366,669
State	1,021,555	-
Employee	599,116	59,321
Total contributions	3,286,291	425,990
Investment income:		
Net appreciation (depreciation)	2,301,186	-
Net realized gain (loss) on sale or exchange	1,691,103	-
Interest and dividends	1,260,080	587
Investment expense	(171,276)	-
Net investment income	5,081,093	587
Total additions	8,367,384	426,577
DEDUCTIONS		
Benefit payments	3,845,817	376,956
Administrative expense	42	83
Refunds	8,004	(1,637)
Total deductions	3,853,863	375,402
Change in net position	4,513,521	51,175
Net position held in trust		
Beginning of year	48,593,682	190,624
End of year	$ 53,107,203	$ 241,799

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Municipality of Beckley, West Virginia (the Municipality) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

A. Reporting Entity

The Municipality of Beckley is a municipal corporation governed by an elected mayor and seven-member council. The accompanying financial statements present the government and its component unit as required by generally accepted accounting principles.

The services provided by the government and accounted for within these financial statements include law enforcement, health and sanitation services, streets and transportation services, cultural and recreational programs, and other governmental services for the Municipality.

The accompanying financial statements present the government and its component units as required by the accounting principles generally accepted in the United States. In determining whether to include a governmental department, agency, commission, or organization as a component unit, the government must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set forth by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of (1) its corporate name, (2) the right to sue and be sued, and (3) the right to buy, sell or lease and mortgage property. Financial accountability is based on (1) the appointment of the governing authority and (2) the ability to impose will or (3) the providing of specific financial benefit or imposition of specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the Municipality.

Blended Component Unit

The entity below is legally separate from the Municipality and meets GAAP criteria for component units. This entity is blended with the primary government because it provides services entirely or almost entirely to the Municipality.

The *Building Commission* serves the Municipality of Beckley, West Virginia, and is governed by a board comprised of three members appointed by the Municipality for a term of five years each. The Building Commission acquires property and debt on behalf of the Municipality. The Beckley Building Commission is reported as an enterprise fund.

Discretely Presented Component Unit

Discretely presented component units are entities which are legally separate from the Municipality, but are financially accountable to the Municipality, or whose relationship with the Municipality is such that exclusion would cause the Municipality's financial statements to be misleading or incomplete. Because of the nature of services, they provide and the Municipality's ability to impose its will on them or a financial benefit/burden relationship exists, the following component unit is discretely presented. The discretely presented component unit is presented on the government-wide financial statements.

The *Beckley Sanitary Board* consists of facilities that provide sewerage and storm water service to all the citizens of the Municipality of Beckley and is governed by a three-member board with the Mayor as the chairman. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

Complete financial statements for the individual component unit can be obtained at the entity's administrative office.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefits from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to non-current compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The government reports the following major governmental funds:

The *General* fund is the government's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.

The *Coal Severance Tax* fund, a special revenue fund, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia municipalities.

The *American Rescue Plan* fund, a special revenue fund, accounts for revenues and expenditures from the American Rescue Plan Act.

The government reports the following major proprietary funds:

The *Parking Revenue* fund serves the Municipality by providing parking facilities and services to the public. The fund accounts for the revenues and expenses of operating this facility. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

The *Building Commission* fund serves the Municipality by providing facilities that provide services to the public. The legally separate entity leases these facilities to primary government in accordance to lease agreements. The board promulgates rules and regulations governing the usage and maintenance of the facilities.

The *Parks and Recreation* fund serves the city by providing recreational facilities and grounds that provide services to the public.

The *Economic Development fund* serves the Municipality by providing rental properties that provide services to the public. The fund accounts for the revenues and expenses of operating these properties. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

Additionally, the government reports the following fund types:

The *Pension Trust* funds account for the activities of Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified public safety employees. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

The *Employee Health Insurance* fund accounts for the activities of an employee health account, which accumulates resources for reimbursement of employees' healthcare related expenses. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

The *Agency* funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the Municipality of Beckley, West Virginia, holds for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principle ongoing operations. The principle operating revenue of the Parking, Parks & Recreation, and Building Commission funds (enterprise funds) and the Beckley Sanitary Board (a discretely presented component unit) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance

1. Deposits and Investments

The Municipality of Beckley, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition. For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Municipality reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The composition of investments and fair values are presented in Note 3.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof; certificates of deposit (which mature in less than one year); general and direct obligations of the State of West Virginia; obligations of the federal mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with S.E.C. which have fund assets over three hundred million dollars.

State statute § 8-13-22c places limitations on the aforementioned investments including the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

Municipal Pension Funds are governed as to type of investments by West Virginia Code § 8-22-22. Pension funds are permitted to invest in all the above-mentioned types of investments with the exceptions of (1) direct and general obligations of the State and (2) pooled mortgage trusts. Additionally, pension funds are permitted to invest funds in the following categories of investments:

(1) Repurchase agreements and (2) common stock, securities convertible into common stocks, or warrants and rights to purchase such securities. Pension funds have different rules concerning the purchase of marketable debt securities.

The following restrictions apply only to pension portfolios and are separate and distinct from the limitations mentioned above: (1) fixed income securities which are issued by one issuer (except for the United States government) are not to exceed five percent of the total pension fund assets; and (2) at no time can the nonreal estate equity portion of the portfolio exceed seventy-five percent of the total portfolio.

2. Receivables and Payables

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables or payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Trade Receivables

All trade receivables are shown at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Property Tax Receivable

All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If the taxes are not paid on or before the date in which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until the date they are paid.

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per $100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents); On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

Information on the Municipality’s property tax levy can be found in Note 4 to the financial statements.

3. Inventories

For the Parks and Recreation fund, inventories are items held for resale and are valued at the first-in/first-out method.

The cost of governmental fund-type inventories is recorded as expenditures when purchased rather than when consumed.

4. Restricted Assets

Certain proceeds of the enterprise funds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

The “regular” account is used to segregate resources accumulated for debt service payments over the next twelve months.

The “reserve” account is used to report resources set aside to make up potential future deficiencies in the regular account.

The “renewal & replacement” account is used to report resources set aside to fund system upgrades and maintenance.

The “customer deposit” account is used to report the segregation of returnable cash deposits from customers of the utility upon initial receipt of the service.

5. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets costing over $5,000 and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is expensed in the period in which the cost is incurred.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-50
System infrastructure	40-50
Structures and improvements	40-50
Machinery and equipment	05-10

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item that qualifies for reporting in this category is the deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

It is the Municipality's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

8. Long Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received are recorded as expenses during the period in which the bonds were issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Balances and Net Position

In the government fund financial statements, fund balance is reported in the following classifications:

Nonspendable	Inventories and prepaid amounts represent fund balance amounts that are not in spendable form.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation.

Committed	The committed category is the portion of fund balance whose use is constrained by limitations that have been approved by an order (the highest level of formal action) of the Municipality Council, and that remain binding unless removed in the same manner. The approval does not automatically lapse at the end of the fiscal year.
Assigned	The assigned category is the portion of fund balance that has been approved by formal action of the Municipality Council/other official authorized to assign amounts for any amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance.

The Municipality Council is the government's highest level of decision-making authority. The Council would take formal action to establish, and modify or rescind, a fund balance commitment or to assign fund balance amounts to a specific purpose. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the Municipality.

In the proprietary fund financial statements, equity is classified as net assets and displayed in three components:

a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

b) Restricted net position – Consists of net assets with constraints placed on the use of either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c) Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets”.

10. Pensions

For purposes of measuring net pension liability and deferred outflows/inflows of the resources to pensions and pension expense, information about the fiduciary net position of the Municipality’s Public Employee Retirement System (PERS) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of the resources related to OPEB, and OPEB expense, information about the West Virginia Retiree Health Benefits Trust Fund (RHBT) and the City of Beckley Retiree Healthcare Plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are actuarily determined. The plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Estimates

The presentation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

13. Change In Accounting Principle

The Municipality adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (Statement), as of July 1, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for subscriptions that previously were expensed on the income statement. It establishes a single model for subscription-based accounting based on the foundational principle that subscriptions are an asset. The effect on the prior period's net position as a result of the adoption of this Statement is summarized in Note XIX.

NOTE II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund. All annual appropriations lapse at fiscal year-end.

The governing body of the Municipality is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the Municipality and to prepare the levy estimate (budget) for the fiscal year commencing July 1. The budget is then forthwith submitted to the State Auditor for approval. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and to formally lay the levy.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year:

Fund	Amount	Description
General Fund	$ 6,759,348	General Government
	13,136,894	Public Safety
	5,430,050	Streets and Transportation
	146,000	Health and Sanitation
	980,000	Culture and Recreation
	2,250	Social Services
	2,231,673	Capital Projects

Deficit in Net Changes in Fund Balances or Net Position

The following major funds had a deficit in changes in fund balances or net position during at June 30, 2023.

Building Commission Fund	$ (643,585)

Funds sufficient to provide for the excess expenditures were made available from interfund transfers or other sources within each fund and the deficiencies had no impact on the financial result of the funds.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Municipality, these revenues are parking fee, park admissions, gift shop sales, leasing revenue, and charges for services for sanitary sewer. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

NOTE III – DEPOSITS AND INVESTMENTS

At year end, the Municipality had the following investments:

Policemen's Pension and Relief	Fair Value	Standard & Poor's and Fitch	Moody's Investment Services
Cash & Cash Equivalents	$ 86,376	Not Rated	Not Rated
Certificate of Deposit	818,392	Not Rated	Not Rated
Federal Government Securities	1,911,921	AA+ to A+	Aaa to A2
Mutual Funds	4,357,642	Not Rated	Not Rated
Common Stock	10,898,081	Not Rated	Not Rated
Corporate Bonds	6,446,122	AA+ to BB+	Aa1 to Baa3
Municipal Bonds	896,596	AAA to A	Aa1 to A1
Preferred Stocks	184,715	Not Rated	Not Rated
Exchange-Traded Fund	3,497,448	Not Rated	Not Rated
Real Estate Investment Trust	90,440	Not Rated	Not Rated
Total	$ 29,187,733		

Policemen's Pension and Relief

Interest Rate Risk	0-5 Years	5-10 Years	Over 10 Years
Cash & Cash Equivalents	$ 86,376	$ -	$ -
Certificate of Deposit	818,392	-	-
Federal Government Securities	972,930	128,871	810,120
Mutual Funds	4,357,642	-	-
Common Stock	10,898,081	-	-
Corporate Bonds	5,884,243	493,082	68,797
Municipal Bonds	404,981	491,615	-
Preferred Stocks	184,715	-	-
Exchange-Traded Fund	3,497,448	-	-
Real Estate Investment Trust	90,440	-	-
Total	$ 27,195,248	$ 1,113,568	$ 878,917

Firemen's Pension and Relief	Fair Value	Credit Risk Rating: Standard & Poor's and Fitch	Credit Risk Rating: Moody's Investment Services
Cash & Cash Equivalents	$ 116,324	Not Rated	Not Rated
Certificate of Deposit	1,388,347	Not Rated	Not Rated
Federal Government Securities	1,519,801	AA+ to A+	Aaa to A2
Mutual Funds	3,687,131	Not Rated	Not Rated
Common Stock	8,591,349	Not Rated	Not Rated
Corporate Bonds	4,125,567	AA+ to BBB-	Aaa to Baa3
Municipal Bonds	535,972	AA	A2
Preferred Stocks	308,065	Not Rated	Not Rated
Exchange-Traded Fund	3,480,003	Not Rated	Not Rated
Total	$23,752,559		

Firemen's Pension and Relief

Interest Rate Risk	0-5 Years	5-10 Years	Over 10
Cash & Cash Equivalents	$ 116,324	$ -	$ -
Certificate of Deposit	1,388,347	-	-
Federal Government Securities	902,134	42,187	575,480
Mutual Funds	3,687,131	-	-
Common Stock	8,591,349	-	-
Corporate Bonds	3,460,364	607,872	57,331
Municipal Bonds	535,972	-	-
Preferred Stocks	308,065	-	-
Exchange-Traded Fund	3,480,003		
Total	$22,469,689	$ 650,059	$ 632,811

The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above tables identify the Municipality's recurring fair value measurement as of June 30, 2023. All investments of the Municipality are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk

The government does not have a policy for interest rate risk**.**

Credit Risk

State law limits investments as described in Note 1.D.1. The government does not have a policy for credit risk in addition to state regulations. As of June 30, 2023, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Concentration of Credit Risk

The government does not have a policy for concentration of credit risk. In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the government did not have any investments that exceeded 5%.

Custodial Credit Risk

Primary Government and Fiduciary Funds – For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. At year end, the primary government's and the fiduciary funds' bank balances were $4,853,070 which were collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

For investments, the government could be exposed to risk in the event of the failure of the counterparty where the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The government does not have a deposit policy for custodial credit risk. At year end, the primary governments and fiduciary funds investment balances were $54,721,477. The investments were collateralized by related securities held by the government's brokerage firm.

A reconciliation of cash and investments as shown on the Statement of Net Position of the primary government and Statement of Net Position of the Fiduciary Fund is as follows:

	Primary Government	Fiduciary Funds
Cash and cash equivalents	$ 4,884,792	$ 445,768
Investments – collateralized and secured	1,558,112	52,967,813
Total	$ 6,442,904	$ 53,413,581
Cash and cash equivalents	$ 4,766,201	$ -
Cash and cash equivalents – restricted	118,591	445,768
Investments - unrestricted	1,558,112	-
Investments - restricted	-	52,967,813
Total	$ 6,442,904	$ 53,413,581

Component Unit – For deposits, the Beckley Sanitary Board could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. At year end, the Board's cash bank balances were $2,409,416, which was fully collateralized with securities held by the pledging financial institution's trust department or agency but not in the government's name.

For investments, the Beckley Sanitary Board could be exposed to risk in the event of the failure of the counter party where the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the Board's investments were $4,798,083 of which $1,872,394 was held at the Municipal Bond Commission and fully collateralized by the State of West Virginia.

A reconciliation of cash and investments as shown on the component unit Statement of Net Position is as follows:

Cash and cash equivalents	$ 2,410,618
Investments – collateralized and secured	4,798,083
Total	$ 7,208,701
Cash and cash equivalents	$ 2,410,618
Investments – unrestricted	52,360
Investments - restricted	4,745,723
Total	$ 7,208,701

NOTE IV – RECEIVABLES

Receivables at year end for the government's individual major funds, fiduciary funds, and component unit in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	Severance Tax	Parking Revenue	Parks and Recreation	Fid./Agency Funds	Total	Component Unit
Receivables:							
Accounts	$ 113,976	$ -	$ 182	$ 2,555	$ -	$ 116,713	$ 2,133,736
Taxes	5,359,460	20,001	-	531	-	5,379,992	3,377
Fines	24,026	-	-	-	31,303	55,329	-
Other	-	-	-	-	173,458	173,458	-
Gross receivables	5,497,462	20,001	182	3,086	204,761	5,725,492	2,137,113
Less: Allowance for Uncollectible	-	-	-	-	-	-	(331,000)
Net Total Receivables	$ 5,497,462	$ 20,001	$ 182	$ 3,086	$ 204,761	$ 5,725,492	$ 1,806,113

Governmental funds report unavailable revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

Unavailable	
Taxes and licenses receivable (General Fund)	$ 158,832
Fines and fees receivable (General Fund)	24,026
Total	$ 182,858

PROPERTY TAXES RECEIVABLE, UNCOLLECTIBLE TAXES, UNAVAILABLE AND UNEARNED REVENUE, AND PROPERTY TAX CALENDAR

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property; however, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at a rate of nine percent per annum is added from the date they become delinquent until paid. All municipalities within the state are authorized to levy taxes not in excess of the following maximum levies per $100 of assessed valuation: On Class I property, twelve and one-half cents (12.5¢); on Class II property, twenty-five cents (25.0¢); and on Class IV property, fifty cents (50.0¢). In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

The levy rates levied by the Municipality of Beckley, West Virginia, per $100 of assess valuation for each class of property for the fiscal year ended June 30, 2023, were as follows:

Class of Property	Assessed Valuations for Tax Purposes	Current Expense	Taxes Levied
Class II	$ 278,821,470	25.00¢	$ 697,054
Class IV	493,745,234	50.00¢	2,468,726
Less: uncollectables, exonerations, and delinquencies			(221,605)
Less: tax discounts			(58,884)
Less: assessor's valuation fund			(57,706)
Net amount to be raised by levy of property taxes			$ 2,827,585

In the governmental fund financial statements, property taxes receivable is recorded in the General Fund once the levy is approved. At fiscal year-end, the receivables represent delinquent taxes. If delinquent taxes are not paid within 60 days of year end, they are recorded as unavailable revenue. Unavailable property taxes recorded in the accompanying governmental fund financial statements totaled $44,293.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the Municipality regardless of when cash is received.

INTERGOVERNMENTAL RECEIVABLES, GRANTS RECEIVABLE AND UNAVAILABLE AND UNEARNED REVENUE

Intergovernmental receivables are primarily comprised of amounts due from other governmental entities. Revenue is recorded as earned when eligibility requirements are met. Grants receivable are recorded for expenses incurred in excess of grant funds received. Unavailable and unearned revenues in the governmental fund financial statements also include unearned revenue and revenue received more than 60 days following year-end (unavailable to pay liabilities of the current period). Revenue to be received after 60 days is fully recognized as revenue in the government-wide statements if eligibility requirements are met.

Leases

The Municipality's outstanding lease agreements include rental for buildings owned by the Municipality.

The accounts receivable schedule for leases is as follows:

June 30,

	Principal	Interest
2024	253,548	58,577
2025	253,548	51,073
2026	253,548	44,883
2027	253,548	38,530
2028	239,626	32,093
2029-2037	1,055,786	137,836
Totals	$ 2,309,604	$ 362,992

Interest rates on leases are at 2.59% and are based on the incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

NOTE V – CAPITAL ASSETS

Capital asset activity for the fiscal year end June 30, 2023, was as follows:

	Primary Government			
Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 5,976,921	$ -	$(2,810,000)	$ 3,166,921
Construction in progress	118,750	-	(118,750)	-
Works of Art	207,662	-	-	207,662
Total capital assets not being depreciated	6,303,333	-	(2,928,750)	3,374,583
Capital assets being depreciated:				
Buildings	4,390,040	-	(2,937,202)	1,452,838
Structures and improvements	1,019,926	-	-	1,019,926
Machinery, equipment and leased assets	12,619,420	850,185	-	13,469,605
Software	353,105	-	-	353,105
Infrastructure	2,759,395	851,999	-	3,611,394
Total accumulated depreciation	(10,715,235)	(1,136,651)	170,274	(11,681,612)
Total capital assets being depreciated, net	10,426,651	565,533	(2,766,928)	8,225,256
Governmental activities capital assets, net	$ 16,729,984	$ 565,533	$(5,695,678)	$ 11,599,839

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 6,972,154	$ 2,810,000	$ -	$ 9,782,154
Copyright	3,500	-	-	3,500
Construction in progress	302,020	257,963	(429,609)	130,374
Total capital assets not being depreciated	7,277,674	3,067,963	(429,609)	9,916,028
Capital assets being depreciated:				
Buildings	42,028,485	2,937,490	-	44,965,975
Structures and improvements	2,664,337	74,000	-	2,738,337
Machinery and equipment	1,116,723	826,161	(51,264)	1,891,620
Total accumulated depreciation	(13,669,774)	(1,470,752)	-	(15,140,526)
Total capital assets being depreciated, net	32,139,771	2,366,899	(51,264)	34,455,406
Business-type activities capital assets, net	$ 39,417,445	$ 5,434,862	$ (480,873)	$ 44,371,434

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 160,117
Public safety	714,258
Highways and streets, including depreciation of general infrastructure asset	262,276
Total depreciation expense – governmental activities	$ 1,136,651
Business-type activities:	
Parking fund	$ 15,516
Parks & recreation fund	249,805
Building commission fund	1,131,673
Economic development fund	73,758
Total depreciation expense – business-type activities	$ 1,470,752

Component Unit:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 869,388	$ -	$ -	$ 869,388
Construction in progress	1,784,363	1,273,762	(691,582)	2,366,543
Total capital assets not being depreciated	2,653,751	1,273,762	(691,582)	3,235,931
Capital assets being depreciated:				
Buildings	36,684,039	-	-	36,684,039
Structures and improvements	39,476,969	560,678	-	40,037,647
Machinery and equipment	3,253,806	225,893	(364,020)	3,115,679
Software	59,298	20,000	-	79,298
Leased Assets	517,760	164,425	-	682,185
Total accumulated depreciation	(36,199,399)	(2,055,463)	321,267	(37,933,595)
Total capital assets being depreciated, net	43,792,473	(1,084,467)	(42,753)	42,665,253
Governmental activities capital assets, net	$ 46,446,224	$ 189,295	$ (734,335)	$ 45,901,184

Construction in Progress

The component unit – Beckley Sanitary Board had active construction projects as of June 30, 2023. The projects include system upgrades, line expansions, and stormwater projects. At year end, the amounts spent-to-date are as follows:

Sewer Projects	Spent-to-date
City Avenue	$ 1,462,374
Hartley Avenue	14,390
S Fayette Street	447,028
New River Drive	17,746
Phillips Street	4,038
Church St/Minnesota	114,816
Total Sewer Projects	$ 2,060,392

Stormwater Projects	Spent-to-date
Morgan Hills	$ 56,797
S Fayette Street	153,020
Deepwood Ave	11,604
Evans Street	3,072
Beckley Little League	25,837
Harper Park	3,000
Pinewood Drive	2,310
Meadowbrook	50,511
Total Stormwater Projects	$ 306,151

Total Sewer and Stormwater Projects	$ 2,366,543

NOTE VI – LONG TERM DEBT

Revenue Bonds

Revenue bonds outstanding as of June 30, 2023 consist of debt issued by the Municipality for its Building Commission, Stormwater and Sewer facilities. The Municipality issues bonds where the government pledges income derived from acquired or constructed assets to pay debt service. The debt is payable solely from and secured by a pledge of the assets and gross revenues to be derived from the operations of these activities.

Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts.

Revenue Bonds outstanding at year end are as follows:

Business-type activities:

Series	Issued	Unused	Retired	Balance June 30, 2023
Bldg Commission 2017*	$ 6,091,604	$ -	$ 1,610,771	$ 4,480,833
Bldg Commission 2019	4,704,000	-	270,414	4,433,586
Total revenue bonds	$ 10,795,604	$ -	$ 1,881,185	$ 8,914,419

* The 2017 bond also has bond premium of $120,156 that is amortized over the life of the bond.

Component Unit – Sanitary Board:

Series	Issued	Retired	Balance June 30, 2023
2004-A Sanitary	$9,039,000	(7,442,954)	$1,596,046
2009-A Sanitary	679,316	(419,183)	260,133
2009-C Sanitary	1,035,783	(334,149)	701,634
2015-A Sanitary	3,614,914	(628,620)	2,986,294
2017 Sanitary	15,450,000	(3,925,000)	11,525,000
2020 Stormwater	1,212,000	(270,555)	941,445
Total revenue bonds	$ 31,031,013	$ (13,020,461)	$ 18,010,552

Utility Pledge Revenues

The Municipality has pledged future building commission revenues, net of specified operating expenses, to repay $6,091,604 in building commission revenue bonds issued in 2017. Proceeds from the bonds provided financing for the construction of the Police Department Headquarters. The bonds are payable solely from building commission net revenues are payable through May 2033. The total principal remaining to be paid on the bonds is $4,480,833. Principal and interest paid for the current year and total customer net revenues were $569,381 and $856,755, respectively.

The Municipality has pledged future building commission revenues, net of specified operating expenses, to repay $4,704,000 in building commission revenue bonds issued in 2019. Proceeds from the bonds payable provide funding for the construction of the Fire Department Station #3. The bonds are payable solely from building commission net revenues and are payable through January 2029. The total principal remaining to be paid on the bonds is $4,433,586. Principal and interest paid for the current year and total customer net revenues were $279,749 and $856,755, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $9,039,000 in water system revenue bonds issued in September 2004. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through June 2026. Annual principal and interest payments on the bonds are expected to require less than 25 percent of net revenues. The total principal remaining to be paid on the bonds is $1,596,046. Principal and interest paid for the current year and the total customer net revenues were $549,464 and $5,437,000, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer revenues, net of specified operating expenses, to repay $679,316 in sewerage system revenue bonds issued September 2009. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through March 2030. Annual principal and interest payments on the bonds are expected to require less than 2 percent of net revenues. The total principal remaining to be paid on the bonds is $260,133. Principal and interest paid for the current year and the total customer net revenues were $41,294 and $5,437,000, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer revenues, net of specified operating expenses, to repay $1,035,783 in sewerage system revenue bonds issued September 2009. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through September 2049. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net revenues. The total principal remaining to be paid on the bonds is $701,634. Principal and interest paid for the current year and total customer net revenues were $26,728 and $5,437,000, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $3,614,914 in sewer system revenue bonds issued in October 2015. Proceeds from the bonds provide funding for construction of certain extensions, additions, betterments, and improvements to the existing sewer system. The bonds are payable solely from sewerage customer net revenues and are payable through June 2046. Annual principal and interest payments on the bonds are expected to require less than 6 percent of net revenues. The total principal remaining to be paid on the bonds is $2,986,294. Principal and interest paid for the current year and total customer net revenues were $137,528 and $5,437,000, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $15,450,000 in sewer system revenue bonds issued in June 2017. Proceeds from the bonds provide funding for construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues are payable through June 2033. The total principal remaining to be paid on the bonds is $12,525,000. Principal and interest paid for the current year and total customer net revenues were $1,376,088 and $5,437,000, respectively.

The component unit – Beckley Sanitary Board has pledged future stormwater utility customer revenues, net of specified operating expenses, to repay $1,212,000 in stormwater utility revenue bonds issued December 2020. Proceeds from the bonds provided refinancing for the December 2010 bond issuance. The bonds are payable solely from storm water customer net revenues and are payable through January 2031. Annual principal and interest payments on the bonds are expected to require less than 29 percent of net revenues. The total principal remaining to be paid on the bonds is $941,445. Principal and interest paid for the current year and total customer net revenues were $133,799 and $1,377,703, respectively.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

Description and Purpose	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023	Due Within One Year
Primary Government					
Governmental Activities					
Compensated Absences	$ 1,509,402	$ 1,416,505	$ (1,466,224)	$ 1,459,683	$ 178,202
Lease Obligations Payable	21,086	-	(5,243)	15,843	5,511
Net pension Liability	31,238,822	10,897,700	-	42,136,522	-
Subscription liability	306,878	-	(74,612)	232,266	106,380
OPEB Liability	7,530,562	422,223	-	7,952,785	-
Total Governmental Activities	40,606,750	12,736,428	(1,546,079)	51,797,099	290,093
Business-type Activities					
Revenue Bonds:					
Major Enterprise Fund					
Building Commission	9,481,623	-	(481,790)	8,999,833	486,625
Total Revenue Bonds	9,481,623	-	(481,790)	8,999,833	486,625
Compensated Absences	100,723	109,790	(79,398)	131,115	11,194
Net Pension Liability	-	81,827	-	81,827	
OPEB Liability	577,783	81,482	-	659,265	-
Total Business-type Activities	10,160,129	273,099	(561,188)	9,872,040	497,819
Total Primary Government Long-Term Debt	$ 50,766,879	$13,009,527	$ (2,107,267)	$ 61,669,139	$ 787,912

Description and Purpose	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023	Due Within One Year
Component unit					
Revenue Bonds:					
Sanitary Board	$ 18,719,837	$ -	$ (1,650,730)	$ 17,069,107	$ 1,697,356
Stormwater Utility	1,055,405	-	(113,960)	941,445	116,186
Total Revenue Bonds	19,775,242	-	(1,764,690)	18,010,552	1,813,542
Lease Obligations Payable	217,762	127,285	(97,297)	247,750	81,625
Compensated Absences	268,579	239,305	(181,567)	326,317	28,748
Net Pension Liability	-	182,818	-	182,818	-
OPEB Liability – multi	-	44,560	-	44,560	-
OPEB Liability – single	1,189,653	67,374	-	1,257,027	-
Total Long-Term Debt	$ 21,451,236	$ 661,342	$ (2,043,554)	$ 20,069,024	$ 1,923,915

Additional Debt Disclosure

Outstanding Bonds, Maturity Dates, and Interest Rates

Description and Purpose	Issue Date	Maturity Date	Interest Rate(s)	Original Issue
Primary Government				
Business-type activities				
Building Commission (Series 2017)	11/15/2017	5/1/2033	3.00%, 3.25%, 3.50%, 3.75%, 4.75%	6,091,604
Building Commission (Series 2019 A)	1/11/2019	1/11/2029	4.03%	4,704,000
Total				$10,795,604
Component Unit:				
Sanitary Board (Series 2004-A)	9/29/2004	6/1/2026	2.00%	9,039,000
Sanitary Board (Series 2009-A WV CWSRF Program)	9/18/2009	3/1/2030	2.00%	679,316
Sanitary Board (Series 2009-C WV CWSRF Program)	9/18/2009	9/1/2049	0.00%	1,035,783
Sanitary Board (Series 2015-A)	10/22/2015	6/1/2046	0.50%	3,614,914
Sanitary Board (Series 2017)	6/22/2017	6/1/2020	2.75%	620,000
Sanitary Board (Series 2017)	6/22/2017	6/1/2033	3.35%	14,830,000
Stormwater Utility (Series 2010)	12/15/2010	1/1/2031	3.87%	2,000,000
Stormwater Utility (Series 2020)	12/15/2020	1/1/2031	1.95%	1,212,000
Total				$33,031,013

The annual debt service requirements to maturity, including principal and interest and administrative fees for bonds payable as of June 30, 2023 are as follows:

	Component Unit					
	Building Commission		Stormwater Utility		Sanitary Board	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest & Fees
2024	486,625	362,505	116,186	17,613	1,697,356	433,746
2025	502,115	345,283	118,551	15,248	1,744,213	388,726
2026	521,470	327,838	120,916	12,882	1,786,296	342,304
2027	541,007	308,864	123,329	10,470	1,280,016	298,777
2028	560,288	289,436	125,769	8,030	1,321,419	260,860
2029-2034	6,302,914	434,442	336,694	8,955	7,231,343	701,982
2035-2039	-	-	-	-	789,011	31,049
2040-2044	-	-	-	-	805,592	15,692
2045-2049					407,156	1,541
2050-2053					6,705	
Total	$ 8,914,419	$ 2,068,368	$ 941,445	$ 73,198	$ 17,069,107	$ 2,474,677

NOTE VII – LEASE COMMITMENTS

Financed Leases

The Municipality's outstanding lease agreements include acquisitions of equipment and vehicles at a cost of $50,895 and to purchase equipment, software and property for the Sanitary Board at a cost of $607,500. These lease agreements qualify as capital leases for accounting purposes, and, therefore have been recorded at the present value of the future minimum lease payments as of the inception dates.

The debt service for financed leases are:

Year Ending	Governmental Activities		Component Unit	
June 30,			Beckley Sanitary Board	
	Principal	Interest	Principal	Interest
2024	5,511	667	81,625	8,859
2025	5,793	385	78,714	6,552
2026	4,539	95	42,168	3,717
2027	-	-	32,832	1,757
2028			12,411	240
Totals	$ 15,843	$ 1,147	$ 247,750	$ 21,125

Interest rates on capital leases vary from 2.75% to 4.93% and are based on the lower of the Municipality's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

Total interest expense on general activity financed leases for the fiscal year ended June 30, 2023, amounted to $935, all of which was expensed. Total interest expense on component unit capital leases for the fiscal year ended June 30, 2023, amounted to $6,132.

NOTE VIII – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, and other miscellaneous receivables/payables between funds.

The following schedule reports internal receivables and payables within the reporting entity at fiscal year-end:

	Police Fine Trust Fund	Sanitary	Stormwater	General	Fire Pension	Total
General	$ 42,700	$ 26,864	$ 3,903	$ -	$ 6,848	$ 80,315
Police Pension	-	-	-	6,848	-	6,848
Economic Development	-	-	-	7,500	-	7,500
Stormwater	-	3,632	-	-	-	3,632
Total	$ 42,700	$ 30,496	$ 3,903	$ 14,348	$ 6,848	$ 98,295

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

The government-wide statement of activities eliminates transfers as reported with the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

The following schedule reports transfers and payments within the reporting entity:

	Transfers To:						
Transfers From:	Parks	Parking	General	Capital Reserve	Economic Development	Sewerage	Total Transfers From
General	$ 2,022,652	$ 144,019	$ -	$ 433,609	$5,724,151	$ -	$ 8,324,431
Coal Severance	60,379	-	-	-	-	-	60,379
Capital Reserve	-		477,505	-			477,505
American Rescue	50,925	-	1,017,802		-	415,433	1,484,160
Total Transfers To	$ 2,133,956	$ 144,019	$ 1,495,307	$ 433,609	$5,724,151	$ 415,433	$ 10,346,475

NOTE IX – RESTRICTED ASSETS

The balances of the restricted asset accounts for the primary government and component unit are as follows:

	Business-type Activities	Component Unit – Beckley Sanitary Board
Revenue bond debt service account	$ 118,591	$ 1,872,394
Renovation and working capital reserve accounts	-	2,032,716
Revenue bond renewal and replacement account	-	672,023
Customer deposits	-	168,590
	$ 118,591	$ 4,745,723

NOTE X – FUND BALANCE DETAIL

At year-end, the detail of the government's fund balances is as follows:

	General Fund	Coal Severance	American Rescue	Nonmajor Funds	Total
Assigned:					
General Government	$ 4,256,782	$ 68,311	$ -	$ -	$ 4,325,093
Public Safety	-	-	-	160,761	160,761
ARPA	-	-	4,939	-	4,939
Capital projects	-	-	-	-	-
Unassigned	5,279,829	-	-	-	5,279,829
Total Fund Balances	$ 9,536,611	$ 68,311	$ 4,939	$ 160,761	$ 9,770,622

NOTE XI – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with Traveler's Insurance and Cincinnati Insurance for umbrella (general liability) insurance for these various risks. The Municipality uses Traveler's Insurance for workers compensation insurance.

Liabilities are reported when there is a probability a loss has occurred, and the amount of the loss can be reasonably estimated.

NOTE XII – CONTINGENT LIABILITIES

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Litigation

The Municipality is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

NOTE XIII – BENEFITS FUNDED BY THE STATE OF WEST VIRGINIA

For the year ended June 30, 2023, the State of West Virginia contributed on behalf of the Municipality's public employees as follows:

Plan	Amount
Policemen's Pension and Relief Fund	$ 543,977
Firemen's Pension and Relief Fund	477,578
Total	$ 1,021,555

State contributions are funded by allocations of the State's insurance premium tax.

NOTE XIV – EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Policemen's and Firemen's Pension and Relief Funds:

Plan Descriptions, Contribution Information, and Funding Policies

The Municipality of Beckley, West Virginia, participates in two single employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees. The Municipality is authorized in accordance with State Code 8-22 to establish and maintain this Plan. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2022.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. The Municipality is authorized in accordance with State Code 8-22 to establish and maintain this Plan. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2022.

The investment policies of the PPRF and FPRF are restricted by State Code as detailed in Note I.D.1. and may be restricted further as determined by the Boards. For additional information related to basis of accounting and reported investment values, see Notes I.C., I.D.1. and 3.

Membership of the Plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	56	49	105
Inactive employees entitled to but not yet receiving benefits	0	0	0
Inactive employees or beneficiaries currently receiving benefits	45	48	93
Total	101	97	198

These plans are defined benefit plans. The following is a summary of funding policies, contribution methods, and benefit provisions.

	PPRF	FPRF
Determination of contribution requirements	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years in accordance with West Virginia State code §8-22-10. However, municipalities may utilize an alternative contribution method which allows the Municipality to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by the State of West Virginia code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary.	Contributes annually an amount which together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years in accordance with West Virginia State code §8-22-10. However, municipalities may utilize an alternative contribution method which allows the Municipality to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by the State of West Virginia code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary.

	PPRF	FPRF
Plan Members	7% of covered payroll participating employees, 9.5% for DROP participants	7% of covered payroll participating employees, 9.5% for DROP participants
Period Required to Vest	No vesting occurs. If separation from employment occurs, the member is entitled to a refund of his/her contributions only.	No vesting occurs. If separation from employment occurs, the member is entitled to a refund of his/her contributions only.
Post-Retirement Benefit Increases	Cost of living adjustment after two years of retirement. Adjustment calculated on the first $15,000 of the total annual benefit in the first year and then the cumulative index for the preceding year. The supplemental pension benefit shall not exceed four percent.	Cost of living adjustment after two years of retirement. Adjustment calculated on the first $15,000 of the total annual benefit in the first year and then the cumulative index for the preceding year. The supplemental pension benefit shall not exceed four percent.
Eligibility for Distribution	20 years of credited service or age 65; whichever comes first. Must be at least age 50.	20 years of credited service or age 65; whichever comes first. Must be at least age 50.
Provisions for:		
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes

Net Pension Liability

The net pension liabilities were measured as of June 30, 2023, for both plans, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Rate of Return

The total pension liability was determined by an actuarial valuation as of July 1, 2022 for both plans, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

Actuarial Assumptions	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
Inflation rate	2.50%	2.50%
Salary increases	Vary by years of service	Vary by years of service
Investment rate of return	5.50%	4.75%

Mortality rate was based on the RP-2014 Blue Collar Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2014.

Rate of Return

For the year ended June 30, 2023 the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense was 6.48 percent for the PPRF and 6.50 percent for FPRF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on pension plan investments will be measured quarterly on a total rate of return basis and will be related to the overall objectives and the market return as evidenced by various market return indices. A complete market cycle (generally 5 years or more) will be used to evaluate investment performance. The pension plans' target asset allocation as of June 30, 2023, are summarized in the following chart:

Investment	PPRF's Target Allocation	PPRF's Long-Term Expected Real Rate of Return	FPRF's Target Allocation	FPRF's Long-term Expected Real Rate of Return
Equities	64.0%	7.50%	64.0%	7.50%
Fixed Income	35.0%	2.80%	35.0%	2.80%
Cash	1.0%	.50%	1.0%	.50%
Portfolio	-	5.79%	-	5.79%

Net Pension Liability, Reserves and Discount Rate

Current year net pension liability for PPRF and FPRF are shown below. The annual required contributions were made by PPRF and FPRF.

Reserves

There are no assets legally reserved for purposes other than the payment of plan members' benefits for either plan.

Net Pension Liability

The Municipality's net pension liability for the Policemen's and Firemen's Pension Relief funds is as follows:

	PPRF	FPRF
Total pension liability	$43,745,777	$51,151,376
Plan fiduciary net position	(29,289,642)	(23,824,106)
Net pension liability	$14,456,135	$27,327,270

	PPRF	FPRF
Plan fiduciary net position as a percentage of the total pension liability	66.95%	46.58%

Discount Rate

The discount rate used to measure the total pension liability was 5.50 percent for PPRF and 4.75 percent for FPRF, and the municipal bond rate of 1.92% for both plans. The projection of cash flows used to determine this single discount rate assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members, for all future plan years. Therefore, the single discount rate of 5.50% (PPRF) and 4.75% (FPRF) was applied to all periods of projected benefit payments to determine the total pension liability. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PPRF's net pension liability	$ 21,002,475	$ 14,456,135	$ 9,189,349
FPRF's net pension liability	$ 34,535,599	$ 27,327,270	$ 21,510,338

Changes in the Net Pension Liability- Policemen's Pension and Relief Fund

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2022	$37,477,766	$26,974,092	$10,503,674
Charges for the year:			
Service Cost	903,381		903,381
Benefit Changes			-
Interest	2,281,728		2,281,728
Differences between expected & actual experience	971,541		971,541
Assumption Change	4,051,594		4,051,594
Contributions – employer		1,264,939	(1,264,939)
Contributions – employee		296,812	(296,812)
Net investment income		2,694,052	(2,694,052)
Benefit payments	(1,940,233)	(1,940,233)	-
Administrative expenses		(20)	20
Refunds	-		-
Net changes	6,268,011	2,315,550	3,952,461
Balance at June 30, 2023	$43,745,777	$29,289,642	$14,456,135

Changes in the Net Pension Liability- Firemen's Pension and Relief Fund

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2022	$42,365,886	$21,630,738	$20,735,148
Charges for the year:			
Service Cost	1,070,612	-	1,070,612
Interest	2,277,500	-	2,277,500
Benefit Changes	-	-	-
Differences between expected & actual experience	2,877,752	-	2,877,752
Assumption Change	4,473,215	-	4,473,215
Contributions – employer	-	1,422,236	(1,422,236)
Contributions – employee	-	309,151	(309,151)
Net investment income	-	2,375,592	(2,375,592)
Benefit payments	(1,913,589)	(1,913,589)	-
Administrative expenses		(22)	22
Refunds	-	-	-
Net changes	8,785,490	2,193,368	6,592,122
Balance at June 30, 2023	$51,151,376	$23,824,106	$27,327,270

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year-ended June 30, 2023, the government recognized the following pension expenses.

	PPRF	FPRF
Pension Expense	$ 928,317	$ (835,421)

The Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PPRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 1,173,380	$ 446,749
Changes in assumptions	3,632,109	2,832,221
Net difference between projected and actual investment earnings	-	4,655
Total	$ 4,805,489	$ 3,283,625

	FPRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 2,279,959	$ 901,483
Changes in assumptions	3,354,911	2,507,290
Net difference between projected and actual investment earnings	-	570,673
Total	$ 5,634,870	$ 3,979,446

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	PPRF
2024	$ 231,129
2025	(344,129)
2026	1,838,864
2027	(204,000)
Thereafter	-
Total	$ 1,521,864

Year Ended June 30,	FPRF
2024	$ (323,410)
2025	15,092
2026	2,201,923
2027	(238,181)
Thereafter	-
Total	$ 1,655,424

Pension Trust Fund Statements

	Policemen's Pension and Relief	Firemen's Pension and Relief
Assets		
Cash and deposits	$ 86,376	$ 116,324
Investments, at fair value:		
Government securities	2,808,517	2,055,773
Corporate bonds	7,512,183	5,547,883
Corporate stocks	17,871,825	14,644,232
Alternative investments	908,832	1,388,347
Total investments	29,101,357	23,636,235
Receivables:		
Accounts receivable	101,909	71,549
Total Assets	$ 29,289,642	$ 23,824,108
Liabilities		
Accounts Payable	$ -	$ 6,547
Deferred Outflows		
Total deferred outflows of resources	-	-
Deferred Inflows		
Total deferred inflows of resources	-	-
Net Position		
Net position restricted for pension benefits	29,289,642	23,817,561
Total Liabilities and Net Position	$ 29,289,642	$ 23,824,108

	Policemen's Pension and Relief	Firemen's Pension and Relief
Additions		
Contributions:		
Employer	$ 720,962	$ 944,658
State	543,977	477,578
Employee	289,965	309,151
Receivable	-	-
Total Contributions	1,554,904	1,731,387
Investment Income:		
Net appreciation (depreciation)	1,358,191	942,995
Net realized gain (loss) on sale or exchange	745,197	945,906
Interest and dividends	695,794	564,286
Other income	-	-
Investment expense	(94,887)	(76,389)
Net investment income	2,704,295	2,376,798
Total additions	4,259,199	4,108,185
Deductions		
Benefit payments	1,932,228	1,913,589
Pension plan administrative expense	20	22
Refunds	8,004	-
Other	-	-
Total deductions	1,940,252	1,913,611
Change in net assets	2,318,947	2,194,574
Net assets held in trust for pension benefits:		
Beginning of year	26,970,695	21,622,987
End of year	$ 29,289,642	$ 23,817,561

Public Employees Retirement System (PERS):

The Municipality of Beckley, West Virginia, participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of Municipality employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

All of the Municipality's cost-sharing multiple-employer plans are administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees Retirement System (PERS)	
Eligibility to participate	All Municipality full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefits provisions	State Statute
Tier 1 members' contribution rate	4.5% (Employees hired before July 1, 2015)
Tier 2 members' contribution rate	6.0% (Employees hired after July 1, 2015)
Municipality's contribution rate	9.00%
Period require to vest	Tier 1 - Five Years; Tier 2 – Ten Years
Benefits and eligibility for distribution	Tier 1 – A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 and the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary is the three highest consecutive years in the last 15 times the years of service times 2% equals the annual retirement benefit. Tier 2- Qualification for normal retirement age is 62 with 10 years of services or at least 55 and the sum of his/her age plus years of credited service is equal to or greater than 80. The average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings times the years of service times 2% equals the retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

Public Employees Retirement System (PERS) – Trend Information

Fiscal Year	Annual Pension Cost	Percentage Contributed
2023	$ 664,565	100%
2022	671,535	100%
2021	639,721	100%
2020	629,307	100%
2019	585,045	100%
2018	590,977	100%
2017	648,412	100%
2016	703,179	100%
2015	673,639	100%
2014	747,453	100%
2013	692,999	100%

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, 4101 MacCorkle Ave. S.E., Charleston, WV 25304.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Municipality reported the following liabilities for its proportionate share of the net pension liabilities. The Municipality's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2023, the Municipality reported the following proportions and increases/decreases from its proportion measure as of June 30, 2022.

	PERS
Amount for proportionate share of net pension liability	$ 593,374
Percentage for proportionate share of net pension liability – current year	0.414831%
Percentage for proportionate share of net pension liability – prior year	0. 401720%
Increase/(Decrease) % from prior proportion measured	(0.013111)%

For the year ended June 30, 2023, the Municipality recognized the following pension expense:

	Governmental Activities	Business-Type Activities
Pension Expense	$ 284,094	$ 38,887

The Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in proportionate share percentage	$ 2,170	$ (5,233)
Difference between expected and actual experience	236,993	-
Contributions made after measurement date	664,565	-
Net difference between projected and actual investment earnings	-	-
Difference in assumptions	372,506	-
Total	$1,276,234	$ (5,233)

The amount reported as deferred outflows related to pensions resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2024	$ 400,431
2025	29,721
2026	(392,188)
2027	568,472
Total	$ 606,436

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, which is the measurement date, using the following actuarial assumptions:

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035
Actuarial assumptions:	
Investment rate of return	7.25%, net of investment expense
Projected salary increases:	
PERS:	
State	2.75-5.55%
Nonstate	3.60-6.75%
Inflation rate	2.75%
Discount rate	7.25%
Mortality rates	Active – 100% of Pub 2010 General Employees table, below median, headcount weighted, projected with scale MP-2018. Retired healthy males – 108% of Pub-2010 General Retiree Male table, below-median headcount, weighted, projected with scale MP-2018. Retired healthy females – 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018. Disabled males – 118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018. Disabled females – 117% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018. Beneficiary males – 112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2018 Beneficiary females – 115% of Pub-2010 Contingent Survivor Female table, below median, headcount weighted, projected generationally with scale MP-2018
Withdrawal rates	
State	2.28-45.63%
Nonstate	2.50-35.88%
Disability rates	.005-0.540%
Retirement rates	12.0-100%
Date range in most recent experience study:	2015-2020 – Economic assumptions; 2013-2018 – All other assumptions.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimated of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Rates summarized in the following table include the inflation component and were used for the following defined benefit plans:

Asset Class	Target Allocation	Long-term Expected ROR
Domestic Equity	27.50%	5.3%
International Equity	27.50%	6.1%
Fixed Income	15.00%	2.2%
Private Equity	10.00%	9.5%
Hedge Funds	10.00%	3.8%
Real Estate	10.00%	6.5%
Total	100.00%	

Discount rate

The discount rate used to measure the total pension asset was 7.25% from PERS. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that the Municipality contributions to all plans will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

The following chart presents the sensitivity of the net pension asset to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Municipality's proportionate share of PER's net pension asset (liability)	$ (4,371,166)	$ (593,374)	$ 2,594,610

Pension plans' fiduciary net position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

NOTE XV – TAX ABATEMENTS

The Municipality provides tax abatement through Section 13-329 of their ordinance. Under the ordinance, new businesses within the corporate limits of the city which locate in zone B-3 (Main Street revitalization area), the business entity will be allowed a fifty percent credit against the business and occupation tax liability annually for a period of five consecutive years from the date the entity qualifies for the tax credit. New businesses within the corporate limits of the city which locate in any commercial zone other than B-3, the business entity will be allowed a thirty percent credit against the business and occupation tax annual liability for a period of five consecutive years from the date the entity qualifies for the tax credit. For the fiscal year ended June 30, 2023, the Municipality abated business and occupation taxes totaling $111,291 under this program.

NOTE XVI – CONCENTRATION OF CREDIT RISK

The Sanitary Board is a supplier of sewer services to the residents and businesses of Beckley, West Virginia. The Stormwater Utility fund is a supplier of Stormwater services to residents and businesses in the Beckley area. The Parking Revenue Board provides parking in downtown Beckley and issues parking tickets. The aforementioned charges are provided on a credit basis without requiring any collateral or any other security. Accounts receivable are recorded net of an allowance for bad debts of $33,000 and $298,000 for the Sanitary Board and Stormwater Utility, respectively. Accounts receivable for the Parking Board have been adjusted for all known uncollectible accounts. An allowance for bad debts in this fund has not been set up as the amount is not considered material.

NOTE XVII – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

West Virginia Retiree Health Benefit Trust Fund:

Plan description

The Municipality contributes to the West Virginia Other Postemployment Benefit Plan (the Plan), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan and covers the retirees of State agencies, colleges and universities, county boards of education and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the PEIA and the RHBT staff. Plan benefits are established and revised by the PEIA and the RHBT staff. Plan benefits are established and revised by the PEIA and the RHBT management with the approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. The four remaining members represent the public at large.

The Plan had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2022.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board (CPRB) and as of July 1, 2008 forward, is a participating employer with the PEIA. Active employees who, as of July 1, 2008 have ten years or more of credited services in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with the PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by the PEIA, that the employer will pay to the PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Active employees who are members of the Teacher's Defined Contribution Retirement plan must be either: 55 years of age and have 12 or more years of credited service; or be at least 60 years of age with five years of service; and their last employer immediately prior to retirement must be a participating employer under that, or the CPRB system to qualify to continue PEIA insurance benefits upon retirement. Employees who participate in non-State retirement systems but are CPRB system affiliated, contracted or approved (such as TIAA-CREF and similar plans), or are approved, in writing by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teacher's Retirement System and in all other cases meet the eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

For additional information, which may be used for disclosure by participating employers, please refer to the audited financial statements of the RHBT. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. If you have any questions about this report or need additional information, contact the RHBT Controller, Jennifer Priddy, at 304-352-0298, ext. 20298. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE, Suite 2, Charleston, WV 25304.

Benefits provided

The Plan provides medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options: 1) Self-Insured Preferred Provider Benefit Plan (primarily for non-Medicare-eligible retirees and spouses) and 2) External Managed Care Organizations (primarily for Medicare-eligible retirees and spouses).

Contributions

Employer contributions were from the RHBT billing system, called Web Contribution System, for fiscal year ended June 30, 2022. The employer contributions which were the basis of the related schedules represent what the employer was billed during the respective year for their portion of the pay as you go premiums, commonly referred to as PAYGO, retiree leave conversion billings, and other matters including billing adjustments.

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately $75 million for fiscal year ended June 30, 2022. The PAYGO rates were $116 from July 1, 2021 to January 31 2022 and $48 from February 1, 2022 to June 30, 2022. For the year ended June 30, 2023, contributions to the OPEB plan from the Municipality were $95,745.

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023 the Municipality reported a liability of $101,197 for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2021, rolled forward to June 30, 2022, which is the measurement date. The Municipality's proportion of the net OPEB liability was based on a projection of the Municipality's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, the Municipality's proportion was .090923651%, which was an increase of .0283095% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Municipality recognized OPEB expense of ($325,452).

At June 30, 2023, the Municipality reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on OPEB Plan investments	$ 15,708	$ -
Differences between expected and actual non-investment	-	(129,097)
Changes in Assumptions (gain)/loss	64,557	(257,124)
Changes in Proportion and Differences Between Employer Contribution & Proportionate Share	240,515	(977)
Contributions subsequent to the measurement date	95,745	-
Reallocation of Opt-Out Employer Change in Proportionate Share	-	(206)
	$ 416,525	$ (387,404)

The amount reported as deferred outflows of resources related to OPEB resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2024	$ (211,496)
2025	71,336
2026	34,207
2027	39,329
Total	$ (66,624)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.25%
Wage Inflation	2.75%
Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation
Asset Valuation Method	Market Value
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level percentage of payroll over a 20-year closed period beginning June 30, 2017
Salary Increases	Dependent upon pension system, ranging from 2.75% to 5.18%, including inflation
Retirement Age	Rates based on 2015-2020 OPEB experience study. Rates first applied to the 2020 valuation.
Aging factors	Based on the 2013 SOA Study “Health Care Costs-From Birth to Death”
Mortality Rates	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010

	General Employee Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub- 2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A & B
Healthcare Cost Trend Rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reach in plan year ended 2032.
Expenses	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The long-term expected rate of return of 6.65% was determined by a combination of expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future rates of returns are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (“CMA”), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan’s investment advisors, including the West Virginia Investment Management Board (“WV-IMB”). The projected nominal return for the Money Market Pool held with the West Virginia Board of Treasury Investments (“WV-BTI”) was estimated based on WV-OMB assumed inflation of 2.0% plus a 25-basis point spread.

The target allocation and estimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Return
Global Equity	55.0%	4.8%
Core Plus Fixed Income	15.0%	2.1%
Core Real Estate	10.0%	4.1%
Hedge Fund	10.0%	2.4%
Private Equity	10.0%	6.8%
Total	100.0%	

Discount Rate

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the discount rate.

The following chart presents the government's proportionate share of the net OPEB liability (asset), as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

1% Decrease 5.65%	Current Discount Rate Assumption 6.65%	1% Increase 7.65%
$ 260,115	$ 101,197	$ (35,137)

Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.

The following chart presents the government's proportionate share of the net OPEB liability (asset), as well as what the proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates described in the actuarial assumptions:

1% Decrease 5.65%	Healthcare Cost Trend Rates 6.65%	1% Increase 7.65%
$ (57,533)	$ 101,197	$ 289,016

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report available at the West Virginia Public Employee Insurance Agency's website at peia.wv.gov. That information can also be obtained by writing to the West Virginia Public Employee Insurance Agency, 601 57th Street, Suite 2, Charleston, WV 25304.

Municipality of Beckley Retiree Healthcare Plan:

Plan description

The Municipality provides healthcare benefits to retirees and their dependents. The Municipality of Beckley Retiree Healthcare Plan (Municipality Plan) is a single employer defined benefit OPEB plan administered by the Municipality. The Municipality Plan's levels of benefits, employee contributions, and employer contributions were authorized by the Municipality Council and any amendments to the Municipality Plan must be approved and authorized by the Council. The Municipality Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Municipality Plan. The Municipality Plan does not issue a separate report. The activity of the Municipality plan is reported in the General Fund, Parking Revenue Fund, Parks and Recreation Fund, and the Beckley Sanitary Board component unit.

Benefits provided

The Plan provides medical and prescription drug insurance and dental and vision insurance. The Municipality contributes up to $4,000/$5,000 (single/family) per year towards the deductible for each retiree. Therefore, the Municipality's liability equals the value of the implicit subsidy, the (up to) $4,000/$5,000 (single/family) payment, and the monthly payments. The insurance premiums are required to be reimbursed to the Municipality and paid fully by the retiree. All full-time active employees who retire or qualify for retirement directly from the Municipality, and meet the eligibility criteria, may participate. The Municipality Plan had approximately 261 participants with 245 being active employees and 16 being retirees and their beneficiaries.

OPEB Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At fiscal year-end, the Municipality reported a liability of $9,812,440 for its share of net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2023, the measurement date was June 30, 2023.

For this fiscal year, the Municipality recognized OPEB expense of $459,841. The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ 1,078,173	$ (1,364,960)
Differences between expected and actual experience	-	(2,245,706)
Total	$ 1,078,173	$ (3,610,666)

The amount reported as deferred inflows of resources related to OPEB resulting from government contributions subsequent to the measurement date will be recognized as an increase in the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2024	$ (360,754)
2025	(360,754)
2026	(360,751)
2027	(354,201)
2028	(420,105)
2029-2030	(675,928)
Total	$ (2,532,493)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.750%
Salary Increases	3.50%
Healthcare Trend	6.50% initially, grading down to 4.25% ultimate
Discount Rate	3.87%
Mortality Rates – Police and Firefighters	Pre/Post-Retirement: PUB 2010S Headcount tables for Male and Female projected with SSA22 generational scale Post-retirement/disabled retirees: PUB 2010S Disabled Headcount tables for Male and Female projected with SSA22 generational scale
Mortality Rates – Others	Pre/Post-retirement: PUB 2010G Headcount tables for Male and Female projected with SSA22 generational scale Post-Retirement – disabled retirees: PUB 2010G Disabled Headcount tables for Male and Female projected with SSA22 generational scale

In the June 30, 2023 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

Changes in actuarial assumptions.

The discount rate changed from 3.69% in the prior year to 3.87% in the current year.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. There is no prefunding of benefits in an OPEB trust for this plan; therefore, the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2023.

Actuarial Methods for Determining Employer Contributions

The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75.

The Entry Age method is used for accounting /GASB purposes; therefore, all of the actuarial figures within the report are based on it. Although there is no prefunding of benefits at this time, an actuarially determined contribution is computed based on a 30-year amortization, level % of pay approach, of the unfunded actuarial liability.

Sensitivity of the Municipality's net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the plan, calculated using the discount rate of 3.87%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease 2.87%	Current Discount Rate Assumption 3.87%	1% Increase 4.87%
Net OPEB Liability	$ 10,878,652	$ 9,812,440	$ 8,868,751

Sensitivity of the Municipality's net OPEB liability to changes in the healthcare trend rate.

The following presents the net OPEB liability of the plan, calculated using the healthcare trend rate of 6.50% to an ultimate rate of 4.25%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates:

	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase
Net OPEB Liability	$ 8,674,932	$ 9,812,440	$ 11,151,818

NOTE XVIII – DEFERRED COMPENSATION PLAN

The Municipality offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held for the exclusive benefit of the participants and their beneficiaries.

NOTE XIX– PRIOR PERIOD ADJUSTMENT

The June 30, 2022 net position of the Municipality has been restated. The restatement was necessary in order to record prior Subscription Based IT Software agreements (SBITA). A summary of the restatement activity at June 30, 2022 is as follows:

	Governmental Activities
Net Position as Previously Reported	$ (26,034,113)
Prior Period Adjustment	(80,368)
Net Position, Restated	$ (26,114,481)

NOTE XX – SUBSEQUENT EVENTS

The Municipality's management has evaluated the effect that subsequent events would have on the Municipality's financial statements through February 20, 2024, which is the date the financial statements were available to be released.

***

Required Supplementary Information

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes:				
Ad valorem property tax	$ 3,186,085	$ 3,186,085	$ 3,028,474	$ (157,611)
Business and occupancy tax	10,045,000	10,545,000	12,469,661	1,924,661
Alcoholic beverage tax	180,500	180,500	180,791	291
Utility services tax	700,000	800,000	1,077,436	277,436
Hotel occupancy tax	980,000	980,000	1,167,389	187,389
Sales tax	5,100,000	6,000,000	7,052,232	1,052,232
Other taxes	460,500	460,500	528,926	68,426
Severance taxes	30,000	30,000	100,525	70,525
Licenses and permits	111,030	111,030	199,937	88,907
Intergovernmental:				
Federal	1,500,000	1,500,000	1,651,651	151,651
State	5,000	5,000	2,000	(3,000)
Charges for services	21,000	21,000	61,544	40,544
Fines and forfeits	200,000	200,000	275,727	75,727
Interest and investment earnings	2,100	2,100	105,105	103,005
Refunds and reimbursements	409,000	409,000	401,371	(7,629)
Insurance claims	23,000	23,000	42,633	19,633
Contributions and donations	501,000	501,000	311,687	(189,313)
Miscellaneous	22,000	22,000	24,915	2,915
Total revenues	23,476,215	24,976,215	28,682,004	3,705,789
EXPENDITURES				
Current:				
General government	6,078,348	6,759,348	5,228,214	(1,531,134)
Public safety	12,636,894	13,136,894	13,511,423	374,529
Streets and transportation	5,111,050	5,430,050	5,223,584	(206,466)
Health and sanitation	146,000	146,000	105,024	(40,976)
Culture and recreation	980,000	980,000	1,061,770	81,770
Social services	2,250	2,250	257	(1,993)
Capital outlay	2,231,673	2,231,673	(3,642,810)	(5,874,483)
Total expenditures	27,186,215	28,686,215	21,487,462	(7,198,753)
Excess of revenues over (under) expenditures	(3,710,000)	(3,710,000)	7,194,542	10,904,542
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	10,000	10,000	46,482	36,482
Transfers in	2,000,000	2,000,000	1,578,026	(421,974)
Transfers out	(2,200,000)	(2,200,000)	(8,385,362)	(6,185,362)
Total other financing sources (uses)	(190,000)	(190,000)	(6,760,854)	(6,570,854)
Net change in fund balances	(3,900,000)	(3,900,000)	433,688	4,333,688
Fund balances beginning of year	3,900,000	3,900,000	9,102,923	5,202,923
Fund balances end of year	$ -	$ -	$ 9,536,611	$ 9,536,611

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COAL SEVERANCE TAX FUND
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes:				
Severance tax	$ 50,000	$ 25,000	$ 80,762	$ 55,762
Interest and investment earnings	250	588	496	(92)
Total revenues	50,250	25,588	81,258	55,670
EXPENDITURES				
Current:				
General Government	-	-	-	-
Culture and recreation	-	-	60,379	60,379
Total expenditures	-	-	60,379	60,379
Excess of revenues over (under) expenditures	50,250	25,588	20,879	(4,709)
OTHER FINANCING SOURCES (USES)				
Transfers out	(55,250)	(28,000)	-	28,000
Total other financing sources (uses)	(55,250)	(28,000)	-	28,000
Net change in fund balances	(5,000)	(2,412)	20,879	23,291
Fund balances beginning of year	5,000	2,412	47,432	45,020
Fund balances end of year	$ -	$ -	$ 68,311	$ 68,311

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2023

Policemen's Pension and Relief Fund

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$ 903,381	$ 951,163	$ 944,209	$ 1,180,545	$ 1,090,463	$ 1,083,033	$ 932,441	$ 527,526	$ 605,759	$ 566,516
Interest	2,281,728	2,117,910	2,243,140	2,150,243	2,043,224	1,958,079	1,913,373	1,873,424	1,822,041	1,800,224
Benefit changes	-	-	27,539	-	-	-	-	-	-	-
Difference between expected and actual experience	971,541	594,034	(975,922)	(608,310)	886,248	(539,579)	(579,180)	(367,023)	(240,296)	-
Assumption changes	4,051,594	(3,838,350)	578,721	(2,739,147)	2,692,393	(2,425,222)	-	7,544,910	(1,724,947)	-
Benefits payments, including refunds of member contributions	(1,932,229)	(1,708,901)	(1,615,319)	(1,612,687)	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)
Refunds	(8,004)	-	(67,550)	(90,436)	(37,987)	(17,697)	(9,448)	(11,785)	(25,921)	(13,466)
Other	-	-	-	-	-	-	6,321	-	-	-
Net change in total pension liability	6,268,011	(1,884,144)	1,134,818	(1,719,792)	5,073,979	(1,529,490)	741,369	8,016,630	(1,111,387)	886,353
Total pension liability-beginning	37,477,766	39,361,910	38,227,092	39,946,884	34,872,905	36,402,396	35,661,027	27,644,397	28,755,784	27,869,431
Total pension liability-ending (a)	$ 43,745,777	$ 37,477,766	$ 39,361,910	$ 38,227,092	$ 39,946,884	$ 34,872,905	$ 36,402,396	$ 35,661,027	$ 27,644,397	$ 28,755,784
Plan fiduciary net position										
Contributions - employer	$ 1,264,939	$ 1,214,850	$ 1,195,018	$ 1,149,672	$ 1,178,526	$ 1,129,068	$ 967,969	$ 893,981	$ 870,447	$ 834,851
Contributions - members	296,812	289,057	239,218	225,268	228,413	207,438	204,974	183,395	163,569	167,926
Net investment income	2,694,052	(2,318,673)	5,516,386	901,518	1,670,372	1,404,579	1,409,529	993,483	650,402	2,169,818
Benefit payments, including refunds of member contributions	(1,932,229)	(1,708,901)	(1,615,319)	(1,612,687)	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)
Administrative expenses	(20)	(14)	(24)	(24)	(24)	(22)	(9,448)	(67,149)	(68,325)	(63,349)
Refunds	(8,004)	-	(67,550)	(90,436)	(37,987)	(17,697)	(24)	(11,785)	(25,921)	(13,466)
Other	-	-	-	-	-	-	(5,466)	-	-	-
Net change in plan fiduciary net position	2,315,550	(2,523,681)	5,267,729	573,311	1,438,938	1,135,262	1,045,396	441,503	42,149	1,628,859
Plan fiduciary net position - beginning	26,974,092	29,497,773	24,230,044	23,656,733	22,217,795	21,082,534	20,037,138	19,595,635	19,553,486	17,924,627
Plan fiduciary net position - ending (b)	$ 29,289,642	$ 26,974,092	$ 29,497,773	$ 24,230,044	$ 23,656,733	$ 22,217,795	$ 21,082,534	$ 20,037,138	$ 19,595,635	$ 19,553,486
Net pension liability - ending (a) - (b)	$ 14,456,135	$ 10,503,674	$ 9,864,137	$ 13,997,048	$ 16,290,151	$ 12,655,110	$ 15,319,862	$ 15,623,889	$ 8,048,762	$ 9,202,298
Plan fiduciary net position as a percentage of the total pension liability	66.95%	71.97%	74.94%	63.38%	59.22%	63.71%	57.92%	56.19%	70.88%	68.00%
Covered employee payroll	$ 3,448,087	$ 2,925,004	$ 2,532,581	$ 2,931,036	$ 2,671,312	$ 2,580,777	$ 2,217,255	$ 2,352,626	$ 2,202,152	$ 2,076,451
Net pension liability as a percentage of covered employee payroll	419.25%	359.10%	389.49%	477.55%	609.82%	490.36%	690.94%	664.10%	365.50%	443.17%

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2023

Firemen's Pension and Relief Fund

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$ 1,070,612	$ 1,102,273	$ 979,236	$ 1,407,737	$ 1,433,473	$ 1,372,807	$ 1,483,038	$ 716,515	$ 743,480	$ 691,461
Interest	2,277,500	2,178,166	2,287,269	2,109,239	2,006,880	1,956,976	1,804,335	1,977,837	1,951,130	1,895,401
Benefit changes	-	-	240,195	-	-	-	-	-	-	-
Difference between expected and actual experience	2,877,752	(1,802,965)	486,583	(1,997,332)	1,717,861	(114,768)	380,786	(413,682)	491,509	-
Assumption changes	4,473,215	(4,035,786)	(1,957,595)	(7,063,929)	964,067	(778,140)	(3,398,993)	13,842,099	-	-
Benefits payments, including refunds of member contributions	(1,913,589)	(1,863,855)	(1,986,030)	(1,961,830)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Refunds	-	-	-	-	(64,463)	-	-	(16,024)	-	-
Other	-	-	-	-	-	-	12,072	-	-	-
Net change in total pension liability	8,785,490	(4,422,167)	49,658	(7,506,115)	4,098,649	476,906	(1,561,917)	14,318,857	1,414,245	867,925
Total pension liability-beginning	42,365,886	46,788,053	46,738,395	54,244,510	50,145,861	49,668,955	51,230,872	36,912,015	35,497,770	34,629,845
Total pension liability-ending (a)	$ 51,151,376	$ 42,365,886	$ 46,788,053	$ 46,738,395	$ 54,244,510	$ 50,145,861	$ 49,668,955	$ 51,230,872	$ 36,912,015	$ 35,497,770
Plan fiduciary net position										
Contributions - employer	1,422,236	1,403,746	1,343,896	1,271,676	1,334,570	$ 1,216,720	$ 1,058,279	$ 999,228	$ 943,850	$ 887,837
Contributions - members	309,151	285,190	230,632	220,835	191,084	179,050	174,158	167,650	152,499	158,033
Net investment income	2,375,592	(1,890,420)	4,600,863	710,419	1,324,032	1,269,796	1,387,931	846,590	590,578	2,047,099
Benefit payments, including refunds of member contributions	(1,913,589)	(1,863,855)	(1,986,030)	(1,961,830)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Administrative expenses	(22)	(14)	(3,042)	(7,007)	(20)	(81)	-	(57,301)	(59,002)	(55,411)
Refunds	-	-	-	-	(64,463)	-	-	(16,024)	-	-
Other	-	-	-	-	-	-	(24)	(295)	-	-
Net change in plan fiduciary net position	2,193,368	(2,065,353)	4,186,319	234,093	826,034	705,516	777,189	151,960	(143,949)	1,318,621
Plan fiduciary net position - beginning	21,630,738	23,696,091	19,509,772	19,275,679	18,449,645	17,744,129	16,966,940	16,814,980	16,958,929	15,640,308
Plan fiduciary net position - ending (b)	$ 23,824,106	$ 21,630,738	$ 23,696,091	$ 19,509,772	$ 19,275,679	$ 18,449,645	$ 17,744,129	$ 16,966,940	$ 16,814,980	$ 16,958,929
Net pension liability - ending (a) - (b)	$ 27,327,270	$ 20,735,148	$ 23,091,962	$ 27,228,623	$ 34,968,831	$ 31,696,216	$ 31,924,826	$ 34,263,932	$ 20,097,035	$ 18,538,841
Plan fiduciary net position as a percentage of the total pension liability	46.58%	51.06%	50.65%	41.74%	35.53%	36.79%	35.72%	33.12%	45.55%	47.77%
Covered employee payroll	$ 3,249,430	$ 2,779,350	$ 2,640,634	$ 2,299,930	$ 2,289,203	$ 2,183,999	$ 2,080,112	$ 2,265,743	$ 2,075,097	$ 1,957,139
Net pension liability as a percentage of covered employee payroll	840.99%	746.04%	874.49%	1183.89%	1527.55%	1451.29%	1534.76%	1512.26%	968.49%	947.24%

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF CONTRIBUTIONS - POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS
For the Fiscal Year Ended June 30, 2023

Policemen's Pension and Relief Fund

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 1,167,253	$ 1,613,556	$ 1,709,028	$ 1,923,216	$ 1,618,552	$ 1,443,038	$ 1,526,595	$ 1,424,813	$ 769,449	$ 908,970
City contributions in relation to the actuarially determined contribution	(720,962)	(673,796)	(629,716)	(588,519)	(650,018)	(614,036)	(480,407)	(448,978)	(419,606)	(392,155)
State contributions in relation to the actuarially determined contribution	(543,977)	(541,054)	(565,302)	(561,153)	(528,508)	(515,032)	(487,562)	(443,222)	(450,841)	(405,775)
Contribution deficiency (excess)	$ (97,686)	$ 398,706	$ 514,010	$ 773,544	$ 440,026	$ 313,970	$ 558,626	$ 532,613	$ (100,998)	$ 111,040
Government's covered-employee payroll	$ 3,448,087	$ 2,925,004	$ 2,532,581	$ 2,931,036	$ 2,671,312	$ 2,580,777	$ 2,217,255	$ 2,100,749	$ 2,202,152	$ 2,076,451
Employer contributions as a percentage of covered-employee payroll	20.91%	23.04%	24.86%	20.08%	24.33%	23.79%	21.67%	21.37%	19.05%	18.89%
City and state contributions as a percentage of covered-employee payroll	36.69%	41.53%	47.19%	39.22%	44.12%	43.75%	43.66%	42.47%	39.53%	38.43%

Firemen's Pension and Relief Fund

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 2,010,393	$ 2,531,939	$ 2,524,427	$ 2,840,851	$ 2,674,661	$ 2,367,135	$ 2,253,955	$ 2,093,433	$ 1,468,949	$ 1,398,526
City contributions in relation to the actuarially determined contribution	(944,658)	(882,858)	(825,101)	(771,122)	(870,675)	(773,528)	(629,465)	(588,285)	(549,799)	(513,831)
State contributions in relation to the actuarially determined contribution	(477,578)	(520,888)	(518,795)	(500,554)	(463,895)	(443,192)	(428,814)	(415,566)	(394,051)	(342,815)
Contribution deficiency (excess)	$ 588,157	$ 1,128,193	$ 1,180,531	$ 1,569,175	$ 1,340,091	$ 1,150,415	$ 1,195,676	$ 1,089,582	$ 525,099	$ 541,880
Government's covered-employee payroll	$ 3,249,430	$ 2,779,350	$ 2,640,634	$ 2,299,930	$ 2,289,203	$ 2,183,999	$ 2,080,112	$ 2,028,434	$ 2,075,097	$ 1,957,139
Employer contributions as a percentage of covered-employee payroll	29.07%	31.76%	31.25%	33.53%	38.03%	35.42%	30.26%	29.00%	26.50%	26.25%
City and state contributions as a percentage of covered-employee payroll	43.77%	50.51%	50.89%	55.29%	58.30%	55.71%	50.88%	49.49%	45.48%	43.77%

See accompanying independent auditor's report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF INVESTMENT RETURNS - POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS
For the Fiscal Year Ended June 30, 2023

Policemen's Pension and Relief Fund

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	6.48%	6.29%	6.76%	4.19%	7.94%	7.27%	7.53%	5.12%	12.10%	12.50%

Firemen's Pension and Relief Fund

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	6.50%	6.51%	6.91%	4.12%	7.64%	7.63%	8.75%	5.15%	13.20%	13.50%

See accompanying independent auditor's report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
For the Fiscal Year Ended June 30, 2023

Public Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Municipality's proportionate share of the net pension liability (asset) (%)	0.414831%	-0.401720%	0.404974%	0.399923%	0.388740%	0.388841%	0.378592%	0.355762%	0.384947%	0.368565%
Municipality's proportionate share of the net pension liability (asset)	$ 593,374	$ (3,526,844)	$ 2,140,980	$ 859,886	$ 1,003,930	$ 1,678,412	$ 3,479,705	$ 1,986,589	$ 1,420,705	$ 3,359,948
Municipality's covered payroll	$ 7,384,056	$ 6,715,350	$ 6,397,210	$ 6,293,070	$ 5,850,450	$ 5,372,518	$ 5,403,433	$ 5,208,733	$ 4,811,707	$ 5,154,848
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	8.04%	-52.52%	33.47%	13.66%	17.16%	31.24%	64.40%	38.14%	29.53%	65.18%
Plan fiduciary net position as a percentage of the total pension liability	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY CONTRIBUTIONS - RETIREMENT SYSTEMS
For the Fiscal Year Ended June 30, 2023

Public Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 664,565	$ 671,535	$ 639,721	$ 629,307	$ 585,045	$ 590,977	$ 648,412	$ 703,179	$ 673,639	$ 747,453
Contributions in relation to the contractually required contribution	(664,565)	(671,535)	(639,721)	(629,307)	(585,045)	(590,977)	(648,412)	(703,179)	(673,639)	(747,453)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Municipality's covered payroll	$ 7,384,056	$ 6,715,350	$ 6,397,210	$ 6,293,070	$ 5,850,450	$ 5,372,518	$ 5,403,433	$ 5,208,733	$ 4,811,707	$ 5,154,848
Contributions as a percentage of covered payroll	9.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%

These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
For the Fiscal Year Ended June 30, 2023

West Virginia Retiree Health Benefit Trust
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Municipality's proportionate share of the net OPEB liability (asset) (%)	0.090923651%	-0.062614105%	0.059207967%	0.057764907%	0.058415146%	0.062706931%
Municipality's proportionate share of the net OPEB liability (asset)	$ 101,197	$ (18,618)	$ 261,517	$ 958,395	$ 1,253,260	$ 1,541,957
Municipality's covered payroll	$ -	$ -	$ -	$ -	$ -	$ -
Municipality's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**
Plan fiduciary net position as a percentage of the total OPEB liability	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%

The amounts presented for each fiscal year were determined as of June 30th. These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

* GASB Statement #75 requires the presentation of 10 years of information. However, until a full 10-year trend is completed, only the available information is presented. The above schedule is for 6 years.

** All participants were retired at yearend.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY CONTRIBUTIONS - OPEB
For the Fiscal Year Ended June 30, 2023

West Virginia Retiree Health Benefit Trust
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 95,745	$ 106,904	$ 107,244	$ 114,182	$ 114,442	$ 119,012
Contributions in relation to the contractually required contribution	95,745	106,904	107,244	114,182	114,442	119,012
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Municipality's covered payroll	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**

The amounts presented for each fiscal year were determined as of June 30th. These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

* GASB Statement #75 requires the presentation of 10 years of information. However, until a full 10-year trend is completed, only the available information is presented. The above schedule is for 6 years.

** All participants were retired at yearend.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2023

Municipality of Beckley Retiree Healthcare Plan
Last 10 Fiscal Years*

Fiscal year end June 30	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 462,726	$ 559,959	$ 541,023	$ 466,236	$ 450,470	$ 435,237
Interest on the total OPEB liability	357,869	235,315	269,495	357,564	368,542	342,348
Benefit changes	(125,921)	(235,387)	(126,363)	-	-	-
Difference between expected and actual experience	-	(1,551,342)	-	(450,868)	-	-
Assumption changes	(180,232)	(1,523,709)	607,445	737,322	56,344	(58,947)
Net change in total OPEB liability	514,442	(2,515,164)	1,291,600	1,110,254	875,356	718,638
Total Pension OPEB - beginning	9,297,998	11,813,162	10,521,562	9,411,308	8,535,952	7,817,314
Total OPEB Liability - ending	$ 9,812,440	$ 9,297,998	$ 11,813,162	$ 10,521,562	$ 9,411,308	$ 8,535,952
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	15,256,067	13,137,257	8,809,052	10,249,691	11,183,678	9,097,893
Net OPEB liability as a percentage of covered employee payroll	64.32%	70.78%	134.10%	102.65%	84.15%	93.82%

There were no changes to benefit terms or healthcare cost trend rates from the prior year.

Changes of assumptions. The discount rate changed from 3.69% to 3.87% in the current year from the prior year.

The amounts presented for each fiscal year were determined as of June 30th. These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

* GASB Statement #75 requires the presentation of 10 years of information. However, until a full 10-year trend is completed, only the available information is presented. The above schedule is for 6 years.

Supplementary Information

Sewerage

The Beckley Sanitary Board is subject to rate covenant compliance associated with the issuance of the Sewerage Series 2017 Bonds. Specifically, the Board must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond documents as follows:

"…the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are Outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2017 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2017 Bonds including the Prior Bonds; provided, that in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2017 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2017 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2017 Bonds."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2023:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$5,437,000	$2,132,939	255%	110%

As of June 30, 2023, the Board was in compliance with the provisions of the 2017 revenue bond covenant which requires net gross revenue to be at least 110% of the amount of the highest principal payment plus interest due in any given year.

The provisions of the 2017 revenue bond covenant require that assets be accumulated in restricted accounts for the payment of future debt service. The covenant requires, at a minimum, that an amount equivalent to one-third of the current year's debt service payment be maintained in a revenue account. A reserve account must also be funded with one-tenth of one-twelfth of the highest debt service payment in any given year. As of June 30, 2023, the Board was in compliance with the provisions of this requirement.

Stormwater Utility Fund

The Stormwater Utility is subject to rate covenant compliance associated with the issuance of the Series 2020 Bonds. Specifically, the Utility must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond document as follows:

"…the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are Outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2020 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2020 Bonds including the Prior Bonds; provided, that in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2020 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2020 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2020 Bonds."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2023:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$1,377,703	$133,799	1,030%	110%

As of June 30, 2023, the Board was in compliance with the provisions of the 2020 revenue bond covenant which requires net gross revenue to be at least 110% of the amount of the highest principal payment plus interest due in any given year.

The provisions of the 2020 revenue bond covenant require that assets be accumulated in restricted accounts for the payment of future debt service. The covenant requires, at a minimum, that an amount equivalent to one-third of the current year's debt service payment be maintained in a revenue account. A reserve account must also be funded with one-tenth of one-twelfth of the highest debt service payment in any given year. As of June 30, 2023, the Board was in compliance with the provisions of this requirement.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 174,101	$ -	$ 174,101
Total assets	**$ 174,101**	**$ -**	**$ 174,101**
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 13,340	$ -	$ 13,340
Total liabilities	13,340	-	13,340
FUND BALANCES			
Assigned	160,761	-	160,761
Total fund balances	160,761	-	160,761
Total liabilities and fund balances	**$ 174,101**	**$ -**	**$ 174,101**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental:			
State	$ 46,974	$ -	$ 46,974
Federal	50,698	-	50,698
Interest and investment earnings	-	340	340
Total revenues	97,672	340	98,012
EXPENDITURES			
Current:			
Public safety	40,747	-	40,747
Total expenditures	40,747	-	40,747
Other Financing Sources (Uses)			
Transfers In	-	433,610	433,610
Transfers Out	-	(477,505)	(477,505)
Total Other Financing Sources (Uses)	-	(43,895)	(43,895)
Net change in fund balances	56,925	(43,555)	13,370
Fund balances beginning of year	103,836	43,555	147,391
Fund balances end of year	$ 160,761	$ -	$ 160,761

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
For the Fiscal Year Ended June 30, 2023

	Grant Number	Award Amount	Under (Over) Expended Beginning of Year	Total Current Year Revenues	Total Current Year Expenditures	Under (Over) Expended End of Year
WV Division of Culture and History						
Parks and Recreation	FF23-839	$ 7,129	$ -	$ 7,129	$ 7,129	$ -
Beckley Main Street Project	FF23-432	2,970	-	2,970	2,970	-
Rocket Boys Festival	FF23-724	1,710	-	1,710	1,710	-
Cape Coalwood	FF23-460	1,485	-	1,485	1,485	-
Total WV Division of Culture and History		13,294	-	13,294	13,294	-
WV Department of Environmental Protection						
Litter Control	GG#GRNT23*37	5,000	-	5,000	5,000	-
Total WV Department of Environmental Protection		5,000	-	5,000	5,000	-
WV House of Delegates						
WV Governor's Contingency Fund	N/A	43,000	-	43,000	-	43,000
Total WV House of Delegates		43,000	-	43,000	-	43,000
Total State Awards		$ 61,294	$ -	$ 61,294	$ 18,294	$ 43,000

See accompanying notes and Independent Auditor's Report.

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Council
Municipality of Beckley
Beckley, West Virginia 25802

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining information of the Municipality of Beckley, West Virginia (the Municipality) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated February 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Municipality's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Municipality's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Municipality's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ferrari & Associates, PLLC

Morgantown, West Virginia
February 20, 2024

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Council
Municipality of Beckley
Beckley, West Virginia 25802

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Municipality of Beckley, West Virginia's (Municipality) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Municipality's major federal programs for the year ended June 30, 2023. The Municipality's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Municipality complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Municipality and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Municipality's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Municipality's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Municipality's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Municipality's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Municipality's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Municipality's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Municipality's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ferrari & Associates, PLLC

Morgantown, West Virginia
February 20, 2024

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number (AL)	Pass-Through Entity Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Treasury				
Direct from Federal Government:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	$ -	$ 1,512,123
Total U.S. Department of Treasury			-	1,512,123
National Endowment for the Humanities				
Passed through the WV Division of Culture and History:				
Promotion of the Arts Partnership Agreements	45.025	AH-23-079135	-	20,000
Total National Endowment for the Humanities			-	20,000
U.S. Department of Justice				
Direct from Federal Government:				
Equitable Sharing Program	16.922	N/A	-	17,862
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	208,333
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	22,709
Total U.S. Department of Justice			-	248,904
U.S. Department of Housing and Urban Development				
Direct from Federal Government:				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grants	14.218	N/A	-	815,767
Total U.S. Department of Housing and Urban Development			-	815,767
Executive Office of the President				
Direct from Federal Government:				
High Intensity Drug Trafficking Areas Program	95.001	G22AP00001A; G23AP00001A	-	63,186
Total Executive Office of the President			-	63,186
U.S. Department of Health and Human Services				
Direct from Federal Government:				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	220260	-	23,904
Total U.S. Department of Health and Human Services			-	23,904
U.S. Department of the Interior				
Direct from Federal Government:				
Outdoor Recreation Acquisition, Development and Planning	15.916	LWCF 54-00550	-	86,565
Heritage Partnership	15.939	2022-1 NCH10	-	3,990
Total U.S. Department of the Interior			-	90,555
U.S. Department of Transportation				
Passed through the WV Department of Transportation:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F22-HS-09-402, F22-HS-15-402 F22-HS-07-402, F23-HS-09-402 F23-HS-15-402, F23-HS-07-402	-	425,799
Total Highway Safety Cluster			-	425,799
Alcohol Open Container Requirements	20.607	F22-HS-07-DOHWZ; F23-HS-07-DOHWZ	-	19,982
National Highway Traffic Safety Administration	20.614	F22-HS-09-405b; F22-HS-07-405b F22-HS-07-405d; F23-HS-09-405b F23-HS-09-405c; F23-HS-07-405b F23-HS-07-405c; F23-HS-07-405d F23-HS-07-405e	-	188,975
Total U.S. Department of Transportation			-	634,756
Total Expenditures of Federal Awards			$ -	$ 3,409,195

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Municipality of Beckley, West Virginia (the Municipality) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Municipality, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Municipality.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Municipality of Beckley has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified Opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiencies identified that is not considered to be a material weakness?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that is not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Federal Assistance Listing Number (AL)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

2023-001 Information Security

Condition – It was noted after year end that there was a breach in the cybersecurity of the Municipality.

Criteria – Proper internal control dictates responsibility for cybersecurity to be implemented for the security of financial information of the Municipality. Breach of the firewalls could have negative effects on the financial information of the Municipality and that of customers.

Cause – The Municipality did not have sufficient firewalls to secure its data.

Effect – Internal control structure elements do not reduce to a relatively low level that risk breaches in the firewall could enable errors and irregularities, in amounts that would be material in relation to the financial statements, to occur and not be detected in a timely manner.

Recommendation – To update cybersecurity policy and firewalls to better protect financial information and data.

Municipality's Response – Municipality officials stated that it intends to revise/upgrade the cybersecurity policy and firewalls to protect its information and the information of customers.

Section III – Federal Awards Findings and Questioned Costs

None

Section IV – Status of Prior Year Audit Findings

There were no audit findings in the prior year.